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TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

No. 180.

NICHOLAS W. CASEY, RECEIVER OF THE NEW ORLEANS NATIONAL BANKING ASSOCIATION, APPELLANT,

VS.

THE NATIONAL PARK BANK OF NEW YORK AND E. H. REYNES & BROTHER.

APPEAL FROM THE CIRCUIT COURT OF THE UNITED STATES FOR THE DISTRICT OF LOUISIANA.

FILED OCTOBER 11, 1875.

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1 *Bill of complaint.—Filed November 25, 1873.*

JOHN COCKREM, RECEIVER OF THE NEW ORleans National Banking Association, Nicholas W. Casey, substituted as receiver,
versus
NATIONAL PARK BANK OF NEW YORK ET AL.
} No. 7072. In equity.

To the honorable the judges of the circuit court of the United States for the district of Louisiana:

John Cockrem, of the city of New Orleans, and a citizen of the State of Louisiana, brings this his bill of complaint against the commercial firm of E. H. Reynes & Brother, and against E. H. Reynes and C. E. Reynes, the individual members of said firm, also citizens of said State and residing in said city of New Orleans; and against The National Park Bank of New York, a body corporate, under and by virtue of the provisions of the act of Congress entitled "An act to provide a national currency secured by a pledge of the United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864, which corporation is located and doing business in the city and State of New York.

2 And therefore your orator complains and says that he is the duly appointed and qualified receiver of the New Orleans National Banking Association, a body corporate, duly constituted and created under and by virtue of the provisions of said act of Congress.

That he is duly appointed such receiver in accordance with the provisions of said act, and the acts amendatory thereof; and in said capacity brings this his bill.

And thereupon your orator complains and says that on and before the first day of June, 1873, said New Orleans National Banking Association was engaged in the banking business in the city of New Orleans, Louisiana, and, although in failing circumstances, continued to carry on such business until the 4th day of October, 1873, when said association altogether failed and suspended payment, and on the 27th day of October, 1873, passed into the control and management of your orator as receiver as aforesaid; that upon said first day of June, 1873, said association was, long prior thereto had and ever since then hath been insolvent, and that the fact of said insolvency was well known to the president and directors thereof, and to the defendants.

That on or about the 20th day of September, 1873, the president, directors and officers of said association, although well knowing the insolvency of said corporation, with the unlawful intent to prefer the defendants The National Park Bank of New York, an alleged creditor of said association, contrary to the provisions of said act of Congress, did unlawfully transfer and deliver to the said defendants E. H. Reynes & Bro. bills, notes, securities, and assets belonging to said association, amounting to at least the full value of ($162,652.80) one hundred and sixty-two thousand six hundred and fifty-two dollars and
3 eighty cents, among which securities and assets are included the bills, notes, and assets set forth and described in the Exhibit A hereto annexed and made a part of this bill of complaint, and placed the same in the custody and under the control of said last named defendants, who now hold the same, or the proceeds thereof, in their possession or control, and refuse to deliver the same to your orator, although he in his said character and capacity as receiver as aforesaid has de-

manded of the said last-named defendants that they so deliver the same to him.

And your orator further shows unto your honors that he has no means of ascertaining whether the bills, notes, and assets of said banking association named and set forth in Exhibit A are all of the assets of said association now in the possession of said defendants, or which have been in their possession since the 20th day of September, 1873, and needs the aid of this honorable court to compel said defendants to make full, true, and complete discovery of all and singular the property of the association in their possession at any time, and what disposition they have made thereof.

And your orator further shows that the said defendant The National Park Bank, and the defendants Reynes & Bro. as agents therefor, claim and pretend that it has some title to or right in said assets and property, and that they have the right and authority to detain the same from your orator, and that they hold the same as pledged to said Park Bank, with the right to collect or sell at public or private sale all of the said assets so in their possession, and to apply the proceeds to the payment of certain alleged promissory notes executed by said 4 banking association to said National Park Bank. And your orator fears, and has good reason to fear, that, unless restrained by the order of this honorable court, *that* they will so dispose of and unlawfully withdraw the same from the administration of your orator, as receiver as aforesaid, and deprive the creditors of said banking association of the ratable and equitable share therein to which they are in law and equity entitled.

And your orator further shows unto your honors that at the time said defendants so took into their possession said assets of said banking association, as aforesaid, they, and each of them, and the president and directors of said National Park Bank, well knew that said association was insolvent, and that the said assets were a portion of the portfolio of said association, and as such the just and equitable security of all the creditors thereof.

And your orator further shows that he is advised and believes that as receiver of said banking association he is entitled to administer all the assets of said association but to the scrutiny and investigation of the claims of all the creditors thereof before the same are finally adjusted and any distribution of the assets of said association made. And your orator is further advised and informed, and avers the fact to be, that any and all pretense of title or right of possession set up and asserted by said defendants is null and void, because said securities and assets were unlawfully set over and transferred to the possession of said defendants, not only after said banking association had committed various acts of insolvency, but when its officers were contemplating the insolvency thereof, and so transferred said securities and assets to said defendants with a view to secure said National Park Bank or 5 other holders of said alleged promissory notes, to your orator unknown, over other creditors of said banking association, entitled in law and equity to the same consideration and protection, contrary to the provisions of said act of Congress of June 3, 1864, and particularly of the fifty-second section thereof, and with a view to prevent the application of such assets in the manner provided in said act; of all which said defendants and the president and directors of said National Park Bank were, at the time they received said assets, and still are, well aware.

And your orator shows that he has a right to the restoration of said assets and the administration thereof; that he has demanded of said defendants that they deliver all of said property to him, as in law and equity they should.

But now, so it is, may it please your honors, that the said defendants, combining and confederating with divers other persons or corporations, at present unknown to your orator, whose names, when discovered, your orator prays he may be at liberty to insert herein, with apt words to charge them as parties defendant hereto, absolutely refuse to comply with such demand.

In consideration whereof, and forasmuch as your orator can have adequate relief in the premises only in this honorable court, where such matters are properly cognizable and relievable, to the end, therefore, that the said defendants herein and said other parties defendant, when discovered, may, if they can, show why your orator should not have the relief hereby prayed, and may upon their several and respective corporeal oaths, and under their corporate seal, and according to the best
and utmost of their respective knowledge, information, and be-
6 lief, full, true, direct and perfect answers make in the premises,
and to such of the several interrogatories hereinafter mentioned
and set forth as by the note hereunder written; that is *is* to say:

1. Whether it is true that you, or either of you, have had in your possession and control the bills, notes, and securities named and set forth in Exhibit A, annexed to this bill, or some portion thereof? If yea, state when the same came into your possession, for what purpose, and what interest or right to the possession or control thereof do you claim to possess.

2. Whether you claim the right to sell, collect, or otherwise convert the said securities, being a portion of the assets of the New Orleans National Banking Association, and apply the same, or the proceeds thereof, to the payment of any creditor of said bank? If yea, state when, and from whom, at what time, and in what form or manner you acquired such authority.

3. Whether you or either of you have collected or sold any bill, note, or other security placed in your hands by said New Orleans National Banking Association, or any of its officers, since the 2d day of September, A. D., 1873? If yea, state in what manner you have disposed of the proceeds of such collection or sale, to whom you have paid the same, and for what purpose or consideration.

4. Whether you have now, or have at any time since the 2d of September, A. D., 1873, received from the New Orleans National Banking Association any other or different bills, notes, or other securities than described in said Exhibit A? If yea, state the date when received,
what security, and in what manner you have disposed of the same.

7 The premises considered, your orator prays that your honors
will grant and allow unto him the most gracious writ of injunction, directed to said defendants and each and all of them, their several agents and attorneys, inhibiting and restraining them and each of them, during the pendency of this action, from in any manner selling, either at public or private sale, any part or portion of any bills, notes, or assets of the said New Orleans National Banking Association, of any form whatsoever, which they or either of them hold in their possession or control, as alleged in this bill of complaint, either as set forth in Exhibit A, or which they or either of them may hold, either for their own benefit or for the benefit or security of any creditor or creditors of said banking association, by any title less than absolute ownership for full price

paid therefor, and from converting to their own use, or mixing with their own funds, or paying out to any person or for any person, and from removing beyond the jurisdiction of this court, any money which they or either of them may receive resulting from the disposal or collection of any of said bills, notes, or assets of said banking association, and from doing any other act in relation thereto except such as may become necessary to fix the liability of sureties and endorsers.

And your orator further prays that your honors, pending a motion for such injunction and the hearing thereof, will grant and allow an order restraining said defendants and each of them, to the full extent and effect as above prayed for; as your orator verily believes that, unless said defendants are so restrained, said defendants will appropriate the proceeds of the sale or collection of said bills, notes, and assets to the payment of said alleged promissory notes, or to the payment of some
8 pretended demand against said banking association, and work
irreparable injury to the general creditors thereof, and that upon the hearing of this cause said injunction be made perpetual.

And your orator further prays that, after due proceedings had, your honors do further adjudge, decree, and order the said defendants, each and all of them, to render a full, true, and correct discovery, statement, and account of all and singular of said notes, assets, and securities so received by them since the 20th day of September, 1873, as well as all and singular the proceeds thereof, or any part thereof, in money or other valuable thing which may have come into their possession, or the possession of either of them, from the redemption, payment, sale, or exchange thereof, and that they may, collectively and severally, be ordered to deliver the same to your orator, to be marshaled with the assets of the New Orleans National Banking Association, and administered by your orator in his said capacity in the manner directed by law, and for the general benefit of all of the creditors thereof, in the order in which the law directs that the same shall be paid.

And may it further please your honors to grant unto your orator writs of subpœna of the United States of America, issued in due form of law, directed to the said defendants, the commercial firm of E. H. Reynes & Bro., and E. H. Reynes and C. E. Reynes, the individual members of said firm, and to the National Park Bank of New York, commanding them and each of them, on a day certain to be named therein, and under a certain penalty, to be and appear in this honorable court, and then and there to answer all and singular the premises, and stand to, abide, and perform such order, direction, and decree as may be made
9 against them; and that your orator have such other and further
relief in the premises as the nature of the circumstances of the case may require and to this honorable court shall seem meet and just; and your orator, as in duty bound, will ever pray.

J. D. ROUSE,
Solicitor for Complainant.
J. R. BECKWITH,
Counsel.

UNITED STATES OF AMERICA,
District of Louisiana:

John Cockrem, being first duly sworn, deposeth and saith that he is the complainant in the foregoing bill of complaint named, and has read the same, and knows the contents thereof; that the said bill is true of his own knowledge, except as to such matters as are therein stated to be on his information and belief, and that as to all such matters he believes it to be true as therein set forth, and further saith not.

JOHN COCKREM.

Sworn to and subscribed before me this 25th day of November, 1873.

F. B. VINOT,
U. S. Commissioner.

NOTE.—The defendants, each and all of them, are required to answer the interrogatories in the foregoing bill of complaint mentioned, numbered 1, 2, 3, and 4.

J. D. ROUSE,
Solicitor.
J. R. BECKWITH,
Counsel.

10 EXHIBIT A.

List of notes, bills, and securities transferred to the National Park Bank of New York by the New Orleans National Banking Association.

Names of maker.	Maturity.	Amount.
E. F. Mioton	Nov. 28, '73	1,500 00
B. Villarubia	Oct. 30, '73	3,600 00
H. F. Given & Co	Nov. 3, '73	3,131 99
A. A. Mouton	Oct. 24, '73	4,126 25
F. B. Fleitas	" 27, '73	5,000 00
A. Dupaquier	" 29, '73	10,000 00
R. Dumestre	Nov. 7, '73	726 60
R. Villarubia	" 8, '73	575 15
H. F. Given & Co	" 20, '73	11,476 88
Allen, Poole & Co	" 22, '73	10,000 00
E. F. Mioton	" 21, '73	800 00
B. Lemann	Dec. 18, '73	11,250 00
Jacob Lemann	" 4, '73	11,250 00
Jacob Lemann	Jan. 13, '74	11,250 00
Jacob Lemann	" 23, '74	11,250 00
Durand, Bernard & Co	Dec. 15, '73	409 23
Lapene & Ferre	Jan. 18, '74	2,292 36
Tho's Lyons and others	Feb. 4, '74	4,368 06
Tho's Lyons and others	" 4, '74	4,104 86
E. F. Mioton	Dec. 7, '73	5,000 00
E. F. Mioton	" 7, '73	9,985 00
E. Dechamps	Oct. 14, '73	2,254 28
Geo. W. Munson	Nov. 4, '72	982 75
Ben. Gerson	Dec. 6, '73	267 60
E. M. Scott	" 4, '73	2,500 00
J. Aldigé	Jan. 4, '74	6,000 00
11 F. A. Luling	Dec. 18th, 1873	9,072 16
A. Richoux	" 4, '73	200 00
L. Basset, estate of, demand note		7,000 00
Golson Bro's	Oct. 14th, 1873	128 15
Fifty-two shares N. O. Gas-Light Co.		
E. F. Mioton	Oct. 18th, 1873	800 00
F. B. Fleitas	past due	3,000 00
P. S. Wiltz & Co	Nov. 7th, 1873	1,000 00
H. E. Shorpshire	Dec. 21st, "	1,770 38
E. M. Scott	" 18, "	6,000 00
		$162,652 80

Order.

Let the defendants show cause on the 16th of December, 1873, at 11 a. m., why an injunction pendente lite should not issue as prayed for; in the mean time, let the defendants be restrained to the same effect and extent as prayed for in complainant's bill.

(Signed) E. H. DURELL, *Judge.*

Subpœna in chancery to the National Park Bank of New York.—Issued November 25th, 1873.

UNITED STATES OF AMERICA:

12 The President of the United States to the marshal for the district of Louisiana, greeting:

You are hereby commanded to summon the National Park Bank of New York, located and doing business in the city and State of New York, to appear before the honorable the judges of the fifth judicial circuit of the United States of America, at a circuit court to be holden on the first Monday of January, 1874, then and there to answer a bill in chancery, filed against said National Park Bank New York et al., wherein John Cockrem, receiver of the New Orleans National Banking Association, and a citizen of the State of Louisiana, is complainant, and said National Park Bank of New York et als. are defendants.

Herein fail not, and have you then and there this writ, with your endorsement thereon how you have executed the same.

13 Witness the honorable Nathan Clifford, associate justice of the Supreme Court of the United States of America, this 25th day of November, in the year of our Lord one thousand eight hundred and seventy-three, and the 98th year of American Independence.

[SEAL.] (Signed) F. B. VINOT, *D'y Clerk.*

The defendant is hereby notified that it is required to enter its appearance in the clerk's office of the United States circuit court on or before the first Monday of January, 1874; otherwise the bill may be taken pro confesso.

(Signed) F. B. VINOT, *D'y Clerk.*

Marshal's return.

Received November 26th, 1873, and on the same day, month, and year served a copy hereof on the National Park Bank of New York in the following manner, to wit, by handing the same to E. H. Reynes, the agent of said bank, in person in this city.

New Orleans, Nov. 28th, 1873.

(Signed) S. W. REED,
D'y U. S. Marshal.

Subpœna in chancery to E. H. Reynes & Bro.—Issued Nov. 25th, 1873.

UNITED STATES OF AMERICA:

14 The President of the United States to the marshal for the district of Louisiana, greeting:

You are hereby commanded to summon the commercial firm of E. H. Reynes & Bro., composed of E. H. Reynes and C. E. Reynes, citizens of the State of Louisiana, to appear before the honorable the judges of the fifth judicial circuit of the United States of America, at a circuit court to be holden on the first Monday of January, 1874, then and there to answer a bill in chancery filed against said firm et al., wherein John Cockrem, receiver of the New Orleans National Banking Association, and a citizen of the State of Louisiana, is complainant, and said firm of E. H. Reynes & Brother et als. are defendants.

Herein fail not, and have you then and there this writ, with your endorsement thereon how you have executed the same.

15 Witness the honorable Nathan Clifford, associate justice of the Supreme Court of the United States of America, this 25th day of November, in the year of our Lord one thousand eight hundred and seventy-three, and the 98th year of American Independence.

[SEAL.] (Signed) F. B. VINOT, *D'y Clerk.*

The defendants are hereby notified that they are required to enter their appearance in the clerk's office of the United States circuit court on or before the first Monday of January, 1874; otherwise the bill may be taken pro confesso.

(Signed) F. B. VINOT, *D'y Clerk.*

Marshal's return.

Received November 26th, 1873, and on the same day, month, and year served a copy hereof on E. H. Reynes and Brother in the following manner, to wit, by handing the same to E. H. Reynes in person in this city.

November 28th, 1873.

(Signed) S. W. REED.
D'y U. S. Marshal.

Subpœna in chancery to E. H. Reynes.

UNITED STATES OF AMERICA:

16 The President of the United States to the marshal for the district of Louisiana, greeting:

You are hereby commanded to summon E. H. Reynes, individually and as a member of the commercial firm of E. H. Reynes & Bro., and a citizen of the State of Louisiana, to appear before the honorable the judges of the fifth judicial circuit court of the United States of America, at a circuit court to be holden on the first Monday of January, 1874, then and there to answer a bill in chancery filed against him et al., wherein John Cockrem, receiver of the New Orleans National Banking Association, and a citizen of the State of Louisiana, is complainant, and said E. H. Reynes et al. are defendants.

Herein fail not, and have you then and there this writ, with your endorsement thereon how you have executed the same.

17 Witness the honorable Nathan Clifford, associate justice of the Supreme Court of the United States of America, this 25th day of November, in the year of our Lord one thousand eight hundred and seventy-three, and the 98th year of American Independence.

[SEAL.] (Signed) F. B. VINOT, *D'y Clerk.*

Defendant is hereby notified that he is required to enter his appearance in the clerk's office of the United States circuit court on or before the first Monday of January, 1874; otherwise the bill may be taken pro confesso.

(Signed) F. B. VINOT, *D'y Clerk.*

Marshal's return.

Rec'd Nov. 26th, 1873, and on the same day, month, and year served a copy hereof on E. H. Reynes, by handing the same to him in person in this city.

New Orleans, Nov. 28th, 1873.

(Signed) S. W. REED,
D'y U. S. Marshal.

Subpœna in chancery on C. E. Reynes.

UNITED STATES OF AMERICA:

The President of the United States to the marshal for the district of Louisiana, greeting:

18 You are hereby commanded to summon C. E. Reynes individually, and as member of the commercial firm of E. H. Reynes & Bro., and a citizen of the State of Louisiana, to appear before the honorable the judges of the fifth judicial circuit of the United States of America, at a circuit court to be holden on the first Monday of January, 1874, then and there to answer a bill in chancery filed against him et al., wherein John Cockrem, receiver of the New Orleans National Banking Association, and a citizen of the State of Louisiana, is complainant, and said C. E. Reynes et al. are defendants.

Herein fail not, and have you then and there this writ, with your endorsement thereon how you have executed the same.

Witness the honorable Nathan Clifford, associate justice of the Supreme Court of the United States of America, this 25th day of November, in the year of our Lord one thousand eight hundred and seventy-three, and the 98th year of American Independence.

[SEAL.] (Signed) F. B. VINOT, *D'y Clerk.*

19 The defendant is hereby notified that he is required to enter his appearance in the clerk's office of the United States circuit court on or before the first Monday of January, 1874; otherwise the bill may be taken pro confesso.

(Signed) F. B. VINOT, *D'y Clerk.*

Marshal's return.

Received November 26th, 1873, and on same day, month, and year served a copy of within subpœna in chancery on C. E. Reynes, named herein, by handing the same to him in person.

New Orleans, Nov. 28th, 1873.

(Signed) S. W. REED,
D'y U. S. Marshal.

Order to show cause and order restraining defendants.—Entered and filed Dec. 4th, 1873.

UNITED STATES OF AMERICA:

Circuit court of the United States, fifth circuit and district of Louisiana
November term, A. D. 1873.

NEW ORLEANS, *Thursday, 4th day of Dec.*, 1873.

Court met pursuant to adjournment.

Present, the Hon. E. H. Durell, dist. judge.

20 JNO. COCKREM, REC'R OF THE N. O. Nat. B'k'g Association,
vs.
NATIONAL PARK BANK OF NEW YORK ET AL. } No. 7072.

On motion of J. D. Rouse & J. R. Beckwith, solicitors for complainant, ordered that the defendants show cause, on the 16th inst., at 11 a. m., why an injunction pendente lite should not issue as prayed for; and in the mean time let the defendants be restrained to the same effect and extent as prayed for in complainant's bill.

CLERK'S OFFICE.

I certify the foregoing to be a true copy of the original record in this office.

Witness my hand and the seal of said court, at the city of New Orleans, this 5th day of December, 1873.

[SEAL.] (Signed) F. B. VINOT, *D'y Clerk.*

Marshal's return.

21 Received Dec. 5th, 1873, and on the 6th day of same month and year served a copy of order on the within named in the following manner: on E. H. Reynes, by handing the same to him in person, and on C. E. Reynes, by handing the same to him in person.

New Orleans, Dec. 6th, 1873.

(Signed) S. W. REED,
D'y U. S. Marshal.

Motion and order modifying order restraining defendants.—Entered & filed December 4th, 1873.

United States circuit court, district of Louisiana. In equity.

JNO. COCKREM, RECEIVER N. O. NAT. B'K'G ASS'N,
vs.
NAT. PARK BANK ET AL.
} No. 7072.

On motion of J. D. Rouse and J. R. Beckwith, solicitors for complainant, it is ordered that the restraining order herein granted be so modified as to permit the defendants E. H. Reynes & Bro. to grant renewals of or extention of time for payment of the commercial paper mentioned in the bill of complaint herein, and Exhibit A thereto annexed, when in their judgment the best interest of the eventual owners of said 22 paper will thereby be subserved; such extensions not to exceed sixty days from the maturity thereof, and provided *by* the securities shall in no case be diminished.

(Signed) E. H. DURELL, *Judge.*

Marshal's return.

Rec'd Dec. 5th, 1873, and on the 6th day of same month and year served a copy of within motion and order on the within named in the following manner: On E. H. Reynes by handing the same to him in person, and on C. E. Reynes by handing the same to him in person.

New Orleans, Dec. 6th, 1873.

(Signed) S. W. REED,
D'y U. S. Marshal.

Restraining order.—Issued Dec. 4th, 1874.

UNITED STATES OF AMERICA:

Circuit court of the United States, fifth judicial circuit & district of Louisiana.

JOHN COCKREM, REC'R OF THE N. O. NAT. B'K'G Association,
vs.
NATIONAL PARK BANK OF NEW YORK ET AL.
} No. 7072.

23 The President of the United States to E. H. Reynes and Brother, E. H. Reynes and C. E. Reynes individually, and as members of said firm of E. H. Reynes and Brother, and the National Park Bank of New York, greeting:

Whereas it has been represented unto us in our said circuit court on the part of John Cockrem, receiver of the New Orleans National Banking Association, in a bill in equity lately exhibited against you and each of you, touching certain matters and things therein set forth;

And whereas the honorable Edward H. Durell, one of the judges of our said court, upon due consideration thereof, has made and allowed an order in said cause whereby you and each of you are required to show cause on the 16th instant, at 11 a. m., why an injunction should not issue as prayed for in said bill of complaint;

And whereas the said judge has granted and allowed an order, restraining you and each of you immediately and forthwith and during the pendency of said motion for an injuction to the full
24 extent and effect as prayed for in said bill of complaint:

Now, therefore, in consideration of the premises and of the allegations in said bill contained, you, the said E. H. Reynes & Brother, E. H. Reynes, C. E. Reynes, and the National Park Bank of New York, your agents, attorneys, and servants, and each of you, are hereby commanded and strictly enjoined, under the penalty of the law, that you and each of you absolutely refrain and desist from in any manner selling, either at public or private sale, any part or portion of any bills, notes, or assets of the said New Orleans National Banking Association of any form whatsoever which you or either of you hold in your possession or control, as alleged in the said bill of complaint, either as set forth in Exhibit A, (annexed to said bill,) which you or either of you may hold, either for your own benefit or for the benefit or security of any creditor or creditors of said New Orleans National Banking Association, by any title less than absolute ownership for full price paid therefor:

25 And from converting to your own use, or mixing with your own funds, or paying out to any person or for any person, and from removing beyond the jurisdiction of this court any money which you or either of you may receive resulting from the disposal or collection of any said bills, notes, or assets of said New Orleans National Banking Association, and from doing any other act in relation thereto except such as may become necessary to fix the liability of sureties and endorsers.

And that you, the said firm of E. H. Reynes & Bro., E. H. Reynes, E. C. Reynes, and the National Park Bank of New York, your agents, attorneys, and servants, and each of you, remain so inhibited and restrained by said order until the further order of our said court in the premises.

Witness the honorable Nathan Clifford, associate justice of the Supreme Court of the United States of America, this fifth day of December, A. D. 1873, and 98th year of American Independence.

[SEAL.] (Signed) F. B. VINOT,
D'y Clerk.

26 *Marshal's return.*

Rec'd December 5th, 1873, by the U. S. marshal, and on the 6th day of same month and year served a copy hereof on the within-named defendants, as follows, to wit:

E. H. Reynes & Brother, by handing the same to E. H. Reynes in person in this city; E. H. Reynes, by handing the same to him in person in this city; C. E. Reynes, by handing the same to him in person in this city; the National Park Bank of New York, by handing the same to E. H. Reynes in person in this city.

New Orleans, Dec. 12th, 1873.

(Signed) S. W. REED,
D'y U. S. Marshal.

Order, rule made absolute.—Extract from the minutes of Dec. 8th, 1873.

JOHN COCKREM, REC'R,
vs.
NATIONAL PARK BANK OF NEW YORK ET AL. } No. 7072.

27 On motion of Clarke, Bayne & Renshaw, solicitors for defendants herein, and on suggesting to the court that B. & J. Leman, whose notes are held by said defendants for about forty-five thousand dollars, now due or maturing within a short time, offer to pay twenty thousand dollars on a/c upon receiving an extension of time of payment for one year of remainder, and that it is for the interest of all concerned that such payment should be made,

It is ordered that John Cockrem, receiver, show cause on why E. H. Reynes & Bro. and the National Park Bank of New York should not be authorized to receive*d* said partial payment on said notes and grant said extension of time, viz. one year from the maturity of said notes, the money received to be held in all respects as said note, and without prejudice to the rights of any of the parties in interest.

And service having been accepted and rule submitted, it is ordered by the court that the same be made absolute, as prayed for.

Rule to appoint a receiver.—Entered and filed Dec. 8th, 1873.

28 United States circuit court, district of Louisiana, in equity.

JNO. COCKREM, REC'R OF THE N. O. NAT. B'K'G ASS'N,
vs.
NAT. PARK BANK ET AL. } No. 7072.

On motion of J. D. Rouse and J. R. Beckwith, solicitors for complainant, it is ordered that the defendants show cause on Thursday, the 18th day of December, 1873, at 11 o'clock a. m., why a receiver should not be appointed to take charge of and collect the assets now in defendants' possession mentioned in complainant's bill, and hold the same pendente lite, subject to the order of this hon. court.

Marshal's return.

Rec'd Dec. 9th, 1873, by the U. S. marshal, and on the same day,
month, and year served a copy hereof on E. H. Reynes, by handing the
same to him in person in this city; E. C. Reynes, by handing the same to
him in person in this city. On the 10th served a copy hereof on the
National Park Bank of New York by handing the same, to wit, a
29 copy hereof, to E. H. Reynes, in person, in this city, 10th Dec., 1873.

New Orleans, Dec. 12th, 1873.
(Signed) S. W. REED,
D'y U. S. Marshal.

Entry continuance of rule.—Extract from the minutes of Dec. 19th, 1873.

JNO. COCKREM, REC'R,
vs.
NAT. PARK BANK OF NEW YORK, ET AL. } No. 7072.

By consent of counsel the rule and questions of injunction in above case are continued, to be re-assigned hereafter.

Entry at January rules, 1874.—Extract from chancery order-book.

NEW ORLEANS, *Monday, Jan'y 5th*, 1874.

JNO. COCKREM, REC'R OF THE NEW ORLEANS
Nat. B'k'g Ass'n,
vs.
NATIONAL PARK BANK OF NEW YORK ET AL. } No. 7072.

This day came the defendants herein, by their solicitors Clarke, Bayne & Renshaw, and entered their appearance to complainant's bill.

30 *Answer National Park Bank et als.—Filed 2d February*, 1874.

In the circuit court of the United States in and for the fifth circuit and district of Louisiana.

The answer of the National Park Bank of New York to the bill of complaint exhibited against them by John Cockrem, receiver of the New Orleans National Banking Association.

These defendants, now and at all times hereafter saving to themselves all and all manner of benefit or advantage of exception or otherwise that can or may be had or taken to the many errors, uncertainties, and imperfections in the said bill contained, for answer thereto, or to so much thereof as these defendants are advised it is material or necessary for them to make answer to, answering, say:

That they admit that complainant is the receiver of the New Orleans National Banking Association, a body corporate under and by virtue of the provisions of the act of Congress entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864.

And further answering, these defendants admit that on and before the 1st day of June, 1873, said New Orleans National Banking Association were engaged in the banking business in the city of New Orleans, and continued to carry on such business until the 4th day of October, 1873, when they suspended, and on the 27th day of October, 1873, passed into the hands of the receiver; but these defendants, upon information and belief, deny that said banking association were in 31 failing circumstances on the first day of June, 1873, or prior thereto, and was on said 1st day of June, 1873, and long prior thereto had, and ever since then have, been insolvent, and that the fact of said insolvency was well known to the president and directors thereof; and these defendants deny that they or any of their officers had any knowledge whatever of any such failing circumstances or insolvency, but, on the contrary, they aver that the said New Orleans National Banking Association were before and on the first of June, 1873, and subsequently, up to the 4th of October, 1873, in good credit and standing as a banking institution in New Orleans, New York, London, Paris, and other cities of Europe and America.

And, further answering, they deny that on or about the 20th of September, 1873, or at any time, the said New Orleans National Banking Association made any unlawful transfers of assets to E. H. Reynes & Bro., with the unlawful intent to prefer these defendants, contrary to the provisions of the said act of Congress. And they deny, upon information and belief, that the said New Orleans National Banking Association were insolvent or in failing circumstances on or before the 20th of September, 1873.

And these defendants, further answering, say that on or about the 4th day of June, 1873, the defendant, E. H. Reynes, at the city of New York, applied to these defendants for a loan to the said New Orleans National Banking Association. That these defendants agreed to loan to said New Orleans National Banking Association the sum of one hundred and fifty thousand dollars upon the discount of notes of said 32 association, payable seventy-five thousand dollars on the tenth of October, 1873, and seventy-five thousand dollars on the twentieth of the same month, upon their pledging to these defendants as collateral security for said loan and to secure said notes selected bills receivable to the amount of one hundred and seventy thousand dollars; that said notes were executed by said New Orleans National Banking Association and forwarded to these defendants at New York on the 11th day of June, 1873, with the request that the proceeds of the discount thereof should be placed to the credit of said association; at the same time the president of said association forwarded to these defendants a statement and receipt of one hundred and seventy thousand eighty-four dollars and forty-two cents of notes given as collateral security for the said loan for said notes. And these defendants are informed and believe that said notes so given as collateral security were placed in an envelope marked "In trust for National Park Bank," and delivered to C. Cavaroc & Son, a commercial firm of New Orleans, soon thereafter, to be held by them for these defendants, and as their agents for the purpose, and that the said notes were from time to time handed to the note-clerk of the said New Orleans National Banking Association to be collected for these defendants; that said list and receipt are hereto annexed as Exhibit B. That upon the maturity and payment in July, 1873, of certain of the said notes embraced in said schedule, Exhibit B, the money therefor was passed to the credit of said New Orleans National Banking Association, and other notes, mentioned and described in the annexed schedule, marked "Exhibit C," were substituted as collateral in lieu thereof, pursuant to the prior agreement between these defendants and said New Orleans National Banking Association.

33 That of the notes transferred and pledged to these defendants to secure said loan of one hundred and fifty thousand dollars, some matured ones were paid, and others were substituted therefor by said New Orleans National Banking Association, pursuant to the said prior agreement between these defendants and said New Orleans National Banking Association. That in lieu of the notes paid about that time, the following securities were, on October 6, 1873, so substituted as collaterals, viz:

Note of F. B. Fleitas, past due, for three thousand dollars.

Note of H. E. Shropshire, due December 21, 1873, for seventeen hundred and seventy dollars and seventy-eight cents.

Note of E. M. Scott, due December 18, 1873, for six thousand dollars.

And fifty-two shares of stock in the New Orleans Gas Light Company were substituted; that on said 6th of October, at the request of these defendants, the said C. Cavaroc & Son delivered all the said notes and substituted notes and shares of stock to E. H. Reynes & Bro. to be held as originally designed upon the making of said loan.

And these respondents, further answering, say that the proceeds of the loan to the said New Orleans National Banking Association of one hundred and fifty thousand dollars, to wit, one hundred and forty-six thousand four hundred and sixty-one dollars and sixty-four cents, on the seventeenth day of June, 1873, were placed to the credit of said association upon the books of these defendants, and thereafter drawn for by the said association in several checks; that said proceeds were
34 paid in cash within four or five days thereafter in the due course
of business by these defendants; that they had no claim or account against said association, but the said loan was made upon a new consideration; and that all said collaterals and those now remaining in the hands of E. H. Reynes & Brother have been transferred to these defendants for a lawful purpose in the due course of business; and that they are subject to these defendants' lien and privilege to secure the payment of said two notes of seventy-five thousand dollars each, and eventual interest at seven per cent. per annum.

And these defendants, further answering, say that the assets mentioned in the schedule "A," annexed to the complainant's bill, are all the assets that have been in the hands of said E. H. Reynes & Brother since the 20th of September, 1873, derived from the said New Orleans National Banking Association.

And these defendants, further answering, aver that they have a right to retain and collect said notes aforesaid and apply the proceeds towards the payment of the indebtedness of said New Orleans National Banking Association to these defendants, to wit, the sum of one hundred and fifty thousand dollars, with interest at seven per cent. per annum from 10th October, 1873, on seventy-five thousand dollars, and from 20th October, 1873, on seventy-five thousand dollars.

And these defendants, further answering, deny that at the time said notes were transferred to them and taken into possession for them, they or any officer or member of their corporation, or either or them, had any knowledge, information, or belief that said New Orleans National
35 Banking Association were insolvent; they admit that they knew
that the same were from the portfolio of the said association, but they aver that the same were lawfully pledged to these defendants for the security of the loan made by them to said association, and that the general creditors have no right to the same except upon payment of the amount advanced to said association upon the faith thereof.

I. And further answering, they say, to the first interrogatory, that they have had in their possession and control all the bills, notes, and securities named and set forth in Exhibit A, annexed to complainant's bill. And these defendants say that on or about the 4th of June, 1873, the defendant, E. H. Reynes, at the city of New York, applied to these defendants for a loan to said New Orleans National Banking Association; that these defendants agreed to loan to said New Orleans National Banking Association the sum of one hundred and fifty thousand dollars upon the discount of notes of said association, payable, seventy-five thousand dollars on the 10th of October, 1873, and seventy-five thousand dollars on the 20th of the same month, upon their pledging to these defendants, as collateral security for said loan and to secure said notes, selected bills receivable to the amount of one hundred and seventy thousand dollars; that said notes were executed by said New Orleans National Banking Association and forwarded to these defendants, at New York, on the 11th day of June, 1873; at the same time the president of said association forwarded to these defendants a statement and receipt of one hundred and seventy thousand and eighty-four dollars and forty-two cents of notes given as collateral security for the said loan for said notes; that said collaterals were as follows, viz:

36 Maker.	Amount.	Maturiyt.
Jacob Leman	$11,250 00	Dec. 18,'73
Durand, Bernard & Co	409 23	" 15,'73
Jacob Leman	11,250 00	" 4,'73
Queyrouse & Bro	1,750 00	Sept. 23,'73
P. S. Wiltz & Co	6,250 00	" 10,'73
J. Lepman	500 00	" 6,'73
A. Lastrapes	6,250 00	" 5,'73
H. Cohen	715 00	Aug. 25,'73
Queyrouse & Bro	1,750 00	" 23,'73
A. Tertrou	5,000 00	" 23,'73
Sampson Bros	20,000 00	" 15,'73
P. S. Wiltz & Co	500 00	" 13,'73
I. Bloom & Co	2,288 00	" 10,'73
P. S. Wiltz & Co	5,000 00	" 8,'73
Levy & Haas	1,194 80	" 7,'73
Dupré, Reine & Co	2,500 00	" 6,'73
Schwabacher & Dryer	1,222 50	" 6,'73
Jno. B. Vinet	1,000 00	" 6,'73
Jno. Mounfort	5,707 00	" 5,'73
F. B. Fleitas	3,000 00	" 5,'73
M. C. Randall	5,000 00	" 5,'73
I. Bloom & Co	382 12	" 5,'73
Frank Roberts	800 00	" 5,'73
Lewis Leonhard	147 17	" 4,'73
Schmidt & Zeigler	912 80	" 4,'73
P. S. Wiltz & Co	12,000 00	" 4,'73
E. Abell	300 00	" 4,'73
H. E. Lee, cap't st'r Gladiola	1,500 00	" 4,'73
Manual Arrantia	3,057 00	" 4,'73
P. S. Wiltz & Co	5,000 00	" 2,'73
C. Hodges	2,488 80	" 1,'73
Thos. T. Lyons and others	4,104 87	Feb. 4,'74
Thos. T. Lyons and others	4,368 06	" 4,'75
DeBlanc & Beer	704 76	July 31,'73
J. T. Aycock	3,026 78	" 30,'73

37 Maker.	Amount.	Maturity.
Jos. A. Brown	650 00	" 29, '73
P. S. Wiltz & Co	5,000 00	" 29, '73
A. LeBreton	4,000 00	" 29, '73
Sieg & Krug	4,300 00	" 29, '73
H. F. Given & Co	5,144 03	" 29, '73
P. Pons, p't	1,125 00	" 28, '73
A. Dupaquier	10.000 00	" 28, '73
D. Pochelu	3,000 00	" 28, '73
Lapene & Ferré	2,292 36	Jan. 18, '73
W. B. Fleitas	3,000 00	July 26, '73
Henry Cohen	246 15	" 23, '73

And these defendants are informed and believe that said notes so given as collateral security were placed in an envelope marked "In trust for National Park Bank," and delivered to C. Cavaroc & Son, a commercial firm of New Orleans, soon thereafter, to be held by them for these defendants, and as their agents for the purpose, and that said notes were from time to time handed to the note-clerk of said association to be collected for these defendants; that upon the maturity and payment in July, 1873, of certain of the above-mentioned notes the following notes were, pursuant to the prior agreement between these defendants and said New Orleans National Banking Association, substituted in lieu of the notes so matured and paid in July, viz:

38 Maker.	Maturity.	Amount.
A. Dupaquier	Oct. 1, '73	$10,000 00
Jos. Dreyfus	" 1, '73	1,825 70
F. Chalaid	Sept. 30, '73	502 00
H. F. Given & Co	" 30, '73	5,218 23
A. LeBreton	" 30, '73	4,000 00
P. S. Wiltz & Co	" 30, '73	5,000 00
D. Pochelu	" 29, '73	2,500 00
E. F. Mioton	" 26, '73	1,500 00
F. A. Gonzales	" 25, '73	528 00
Jules Delauney	" 24, '73	514 17
L. E. Lemarie	" 23, '73	4,500 00

That of the notes transferred and pledged to these defendants to secure said loan of one hundred and fifty thousand dollars, some matured and were paid, and others were substituted therefor by said association pursuant to said prior agreement. That in lieu of the notes paid about that time, on October 6, 1873, the following securities were so substituted as collateral, viz:

Note of F. B. Fleitas, past due, for	$3,600 00
" " H. E. Shropshire, due Dec. 21, 1873	1,770 38
" " E. M. Scott, due Dec. 18, 1873	6,000 00

And also fifty-two shares of stock in the New Orleans Gas Light Company, on said 6th of October, 1873; and defendants further say that on said 6th of October, at these defendants' request, said C. Cavaroc & Son delivered all said notes and substituted notes and securities to E. H. Reynes & Bro., to be held, as originally designed, upon making said loan. That said notes, substituted notes, and shares of stock came duly and lawfully into these defendants' possession, at the times and in the manner stated, for the purpose of securing these defendants for
39 the loan made by them to said New Orleans National Banking Association of one hundred and fifty thousnd dollars; that said

loan, and the transfer of assets to secure the same, were in the due course of legitimate business, and with no intent or purpose to infringe the provisions of the act of Congress entitled "An act to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," approved June 3, 1864.

That Exhibit A annexed to complainant's bill exhibits all the notes and securities now held by these defendants to secure said loan, except as shown hereafter in these defendants' answers to these interrogatories, some of said collaterals having been partly or wholly collected, as appears hereafter. And these defendants say that they claim the right to retain the collaterals now in their possession by virtue of the transfer, delivery, and pledge to them by said association of said notes and securities to secure said loan by these defendants to said association, and these defendants claim the right, under said transfer, delivery, and pledge, to collect said collaterals and apply the proceeds thereof towards the payment of the indebtedness of said association to these defendants.

II. And further answering, these defendants say, to the second interrogatory, that they claim the right to collect the said securities so transferred and delivered to them and held by them, and apply the proceeds thereof towards the payment of the said indebtedness of the said New Orleans National Banking Association to these defendants. And these defendants say that they acquired said right and authority by virtue of their contract and agreement hereinbefore set forth to loan 40 said New Orleans National Banking Association one hundred and fifty thousand dollars, as already stated; and by virtue of the transfer, delivery, and pledge to these defendants by said association of collaterals to secure said loan, pursuant to said contract and agreement, and as hereinbefore set forth that defendants' rights and authority arise from said contract and agreement, and said transfer, delivery, and pledge.

III. And further answering, these defendants, in answer to the third interrogatory, say that they have not sold any of the collaterals or securities placed in their hands by the said association or any of its officers, but that they have collected wholly or in part some of said collaterals and securities. That said collections were made by E. H. Reynes & Bro., acting for these defendants, and are as follows, viz:

1873. COLLECTIONS.

Oct.	15.	Note of E. Duchamp in full		$2,254 28
"	15.	Note of Golsan Bros		128 15
"	18.	Note of E. F. Mioton, $800, rec'd on account, cash	$200 00	
		Ext'd $600, 64 per c't int. in advance	8 55	
				208 55
"	24.	Note of A. A. Mouton, $4,126.25, rec'd on ac., cash	1,031 56	
		Note $1,547.35, 40 d—d., interest in advance	15 28	
		Note $1,547.34.60 d—d	22 31	
				1,069 15
"	27.	F. B. Fleitas, $5,000, rec'd on account, cash	500 00	
		Note $4,500, @ 40 d—d., int. in advance	44 00	
				544 00

41	Oct. 29.	A. Dupaquier, $10,000, rec'd on account, cash	1,000 00	
		Note $9,000, at 40 d—d., int. in advance	88 00	
				1,088 00
	" 30.	L. Basset, $7,000, rec'd on account, cash	600 00	
		122 days' back interest, at 8 per cent	189 78	
				798 78
	" 31.	R. Villarubia, $3,000, rec'd on account cash	100 00	
		Note $2,900, at 30 d—d., interest	23 31	
				123 31
	Nov. 4.	Note Geo. W. Manson, $982.75, rec'd on ac., cash	250 00	
		Note $738.32, at 30 d—d., interest added		250 00
	" 7.	R. Dumestre, $726.60, rec'd on account, cash	226 60	
		Note $500, at 30 d—d., int.	3 77	
				230 37
	" 18.	P. S. Wiltz, $1,000, cash on account		250 00
	" 22.	Allen, Poole & Co., 10,000, cash on account		1,500 00
	Dec. 5.	E. M. Scott, in full		2,500 00
	" 6.	A. A. Mouton, $1,547.35, rec'd on account, cash	347 35	
		Note $1,200, at 40 d—d. interest	11 64	
				358 99
		Ben Gerson, in full		267 60
42	Dec. 8.	Geo. W. Manson, $735.32, rec'd on account, cash	184 58	
		Note $557.95, at 30 d—d., interest added		184 58
	" 10.	R. Dumestre $500, rec'd on account, cash	250 00	
		Note $250, at 30 d—d., interest	1 88	
				251 88
	" 12.	A. Dupaquier, $9,000, rec'd on account, cash	500 00	
		Note $8,500.60 d—d., int.	122 61	
				622 61
	" 16.	Note Allen, Poole & Co., $8,500, rec'd on ac., cash	1,000 00	
		Back interest, 22 days	43 44	
		Note $7,500, at 60 d—d., interest	106 68	
				1,150 12
	" 16.	Note J. A. Lum in full, part of collaterals to secure Leman's note		2,380 01
	" 17.	E. F. Mioton, $600, extended, 60 d—d., interest in advance		8 55
		Total to this date		$16,159 93

DISBURSEMENTS.

Oct. 15.	Remittance in check on New York	$2,290 91	
	Premium, at 4c	91 52	
			$2,282 43

	Oct. 21.	Remittance in check on New York	199 55	
		Premium, at 4½	9 00	
				208 55
43	Oct. 24.	Remittance in check on New York	1,023 11	
		Premium, at 4½	46 04	
				1,069 15
	Oct. 29.	Remittance in check on New York	1,596 09	
		Premium, at 2¼	35 91	
				1,632 00
	Nov. 1.	Remittance in check on New York	904 05	
		Premium, at 7	9 05	
				913 10
	" 5.	Remittance in check on New York	239 81	
		Premium	7 19	
		Not. fees	3 00	
				250 00
	" 7.	Remittance in check to New York	227 97	
		Premium, 1½	2 40	
				230 37
	" 18.	Remittance in check on New York	246 31	
		Premium, 1½	3 69	
				250 00
	" 24.	Remittance in check on New York	1,474 20	
		Premium, 1¾	25 80	
				1,500 00
	Dec. .	Check to E. H. Reynes & Bro. for—		
		Notarial fees	14 50	
		Certificates mortgage	5 50	
				20 00
				8,455 60
44	Dec. 17.	By cash balance in L'a National Bank to account of National Park Bank		7,704 34
				16,159 94
	Dec. 18.	By cash received this day and to be added to above, Jacob Leman, two notes, each $11,250, settled as below.		
		Collateral note J. A. Lum, paid the 16th and applied, $2,380.		
		Cash this day	20,120 00	
		Interest on past-due note, 15 days, at 8%	37 70	
				20,157 70
	Dec. 18.	Note E. M. Scott, $6,000, received on account, cash	1,000 00	
		Note extended, $5,000, 60 days int	17 12	
				1,071 12
				21,228 82

The foregoing exhibits the collections and disbursements made for these defendants by said E. H. Reynes & Bro., and the remittances mentioned were remittances made by said E. H. Reynes & Bro. to these defendants.

IV. And, further answering, these defendants say, to the fourth interrogatory, that they have not received from the New Orleans National Banking Association at any time since the 20th of September, 1873, any other or different bills, notes, or other securities than described
45 in Exhibit A, annexed to complainant's bill; nor have they now any other or different bills, notes, or other securities than those described in said Exhibit A, in so far as any of said bills, notes, or securities have not been collected as shown in these answers.

And these defendants deny all and all manner of unlawful combination and confederacy wherewith they are by the said bill charged; without this, that there is any other matter, cause, or thing in the said complainant's said bill of complaint contained material or necessary for these defendants to make answer unto, and not herein and hereby well and sufficiently answered, confessed, traversed, and avoided, or denied, is true to the knowledge or belief of these defendants; all which matters and things these defendants are ready and willing to aver, maintain, and prove as this honorable court shall direct; and humbly pray to be hence dismissed with their reasonable costs and charges, in this behalf most wrongfully sustained.

NATIONAL PARK BANK OF NEW YORK,
By W'M K. KITCHEN, *President.*
CLARKE, BAYNE & RENSHAW,
Solicitors.

William K. Kitchen, being duly sworn, deposeth and saith:

That he is the president of the National Park Bank of New York, defendants in the foregoing answer named; that he has read the foregoing answer and knows the contents thereof; that the said answer is
46 true of his own knowledge, except as to those matters which are therein stated to be on his information and belief, and as to those he believes it to be true. That as the president of the said National Park Bank of New York, defendants in the foregoing answer named, he has authority to affix unto said answer the corporate seal of said defendants, and he accordingly affixed unto said answer of the said defendants their said corporate seal.

W'M K. KITCHEN.

Sworn to before me this 9th of January, 1874.

JOHN A. SHIELDS,
U. S. Commissioner, State of New York.

EXHIBIT B.

NEW ORLEANS, *June* 11, 1873.

Received, in trust, for account of the National Park Bank of New York, from the New Orleans National Banking Association, one hundred and seventy thousand eighty-four dollars and f*ou*rty-two cents, of bills receivable described in annexed statement; said bills receivable being given by the New Orleans National Banking Association as collateral security of their notes due respectively on the 10th and 20th of October next, 1873, each for the sum of seventy-five thousand dollars, payable to the order of the National Park Bank of New York.

C. CAVAROC,
President.

47

EXHIBIT B—Continued.

List of notes securing loan of $150,000 by National Park Bank of New York.

Maker.	Amount.	Due.
Jacob Leman	$11,250 00	Dec. 18, '73
Durand, Bernard & Co	409 23	“ 15, '73
Jacob Leman	11,250 00	“ 4, '73
Queyrouse & Bois	1,750 00	Sept. 23, '73
P. S. Wiltz & Co	6,250 00	“ 10, '73
J. Lepman	500 00	“ 6, '73
A. Lastrapes	6,250 00	“ 5, '73
H. Cohen	715 00	Aug. 25, '73
Queyrouse & Bois	1,750 00	“ 23, '73
A. Tertrou	5,000 00	“ 23, '73
Sampson Bros	20,000 00	“ 15, '73
P. S. Wiltz & Co	500 00	“ 13, '73
I. Bloom & Co	2,288 00	“ 10, '73
P. S. Wiltz & Co	5,000 00	“ 8, '73
Levy & Haas	1,194 80	“ 7, '73
Dupré, Reine & Co	2,500 00	“ 6, '73
Schwabacher & Dryer	1,222 50	“ 6, '73
Jno. B. Vinet	1,000 00	“ 6, '73
Jno. Mounfort	5,707 00	“ 5, '73
F. B. Fleitas	3,000 00	“ 5, '73
M. C. Randall	5,000 00	“ 5, '73
I. Bloom & Co	382 12	“ 5, '73
Frank Roberts	800 00	“ 5, '73
Lewis Leonhard	147 17	“ 4, '73
Schmidt & Zeigler	912 80	“ 4, '73
P. S. Wiltz & Co	12,000 00	“ 4, '73
E. Abell	300 00	“ 4, '73
H. E. Lee, capt. st'r Gladiola	1,500 00	“ 4, '73
48 Manual Arrantia	3,057 00	Aug. 4, '73
P. S. Wiltz & Co	5,000 00	“ 2, '73
C. Hodges	2,488 80	“ 1, '73
Tho's T. Lyons and others	4,104 86	Feb. 4, '74
Tho's T. Lyons and others	4,368 06	“ 4, '75
De Blanc & Beer	702 76	July 31, '73
J. T. Aycock	3,026 78	“ 30, '73
Jos. A. Brown	650 00	“ 29, '73
P. S. Wiltz & Co	5,000 00	“ 29, '73
A. Lebreton	4,000 00	“ 29, '73
Sieg & Krug	4,300 00	“ 29, '73
H. F. Given & Co	5,144 03	“ 29, '73
P. Pons, P't	1,125 00	“ 28, '73
A. Dupaquier	10,000 00	“ 28, '73
D. Pochelu	3,000 00	“ 28, '73
Lapene & Ferré	2,292 36	Jan. 18, '73
W. B. Fleitas	3,000 00	July 26, '73
Henry Cohen	246 15	“ 23, '73

49

EXHIBIT C.

List of notes substituted for those matured and paid in July, 1873, *say thirty-six thousand eighty-eight dollars and ten cents,* ($36,088.10.)

Maker.	Due.	Amount.
A. Dupaquier	Oct. 1, '73	$10,000 00
Jos. Dreyfus	" 1, '73	1,825 70
F. Chalard	Sept. 30, '73	502 00
H. F. Given & Co	" 30, '73	5,218 23
A. Le Breton	" 30, '73	4,000 00
P. S. Wiltz & Co	" 30, '73	5,000 00
D. Pochelu	" 29, '73	2,500 00
E. F. Mioton	" 26, '73	1,500 00
F. A. Gonzales	" 25, '73	528 00
Jules Delauney	" 24, '73	514 17
L. E. Lemarie	" 23, '73	4,500 00
		$36,088 10

New Orleans, July 31, 1873.
E. & O. E.
Account National Park Bank.

50

EXHIBIT C—Continued.

C. Cavaroc, president. Henry Blache, cashier.

NEW ORLEANS NATIONAL BANKING ASSOCIATION,
New Orleans, August 1, 1873.

W'M K. KITCHEN, Esq.,
President National Park Bank, New York:

DEAR SIR: In conformity with the terms of our agreement in regard to the collaterals securing loan of $150,000 to the bank, and held in trust for your account, I beg leave to refer you to enclosed list of notes substituted for those matured and paid during the month of July last.

These notes, amounting to $36,088.10, being now part of collaterals securing the above loan and held in trust.

I remain, dear sir, yours, respectfully,
C. CAVAROC, *President.*

51 *Replication to answer National Park Bank.—Filed 2d March,* 1874.

United States circuit court, fifth circuit, and district of La. In equity.

JOHN COCKREM, RECEIVER OF THE NEW ORleans National Banking Association,
versus
THE NATIONAL PARK BANK OF NEW YORK et al.
} No. 7072.

The replication of John Cockrem, receiver of the New Orleans National Banking Association, complainant, to the answers of the National Park Bank of New York, and E. H. Reynes & Brother, and E. H. Reynes and Charles E. Reynes, the individual members composing said firm, defendants.

This repliant, saving and reserving unto himself now and at all times hereafter all and all manner of benefit and advantage of exception which may be had or taken to the manifold insufficiencies of the said answer, for replication thereunto, says that he will aver, maintain, and prove his said bill of complaint to be true, certain, and sufficient in law to be answered unto, and that the said answer of the said defendants is uncertain, untrue, and insufficient to be replied unto by this repliant.

Without this, that any other matter or thing whatsoever in the said
answer contained, material or effectual in the law to be replied
52 unto, and not herein and hereby well and sufficiently replied unto,
confessed or avoided, traversed or denied, is true.

All which matters and things this repliant is and will be ready to aver, maintain, and prove, as this honorable court shall direct, and humbly prays as in and by his said bills he has already prayed.

J. D. ROUSE,
Solicitor for Complainants.

Answer E. H. Reynes & Bro.—Filed 2d February, 1874.

In the circuit court of the United States in and for the fifth circuit and district of Louisiana.

The joint and several answers of the commercial firm of E. H. Reynes & Brother, and of E. H. Reynes and C. E. Reynes, the individual members of said firm, to the bill of complaint exhibited against them by John Cockrem, receiver of the New Orleans National Banking Association.

These defendants respectively, now and at all times hereafter, saving to themselves all and all manner of benefit or advantage of exception or otherwise than can or may be had or taken to the many errors, uncertainties, and imperfections in the said bill contained, for answer thereto, or to so much thereof as these defendants are advised it is material or necessary for them to make answer to, severally answering say:

That they admit that complainant is the receiver of the New Orleans National Banking Association, a body corporate under and by virtue of
the provisions of the act of Congress entitled "An act to provide
53 a national currency secured by a pledge of United States bonds
and to provide for the circulation and redemption thereof," approved June 3, 1864.

And, further answering, these defendants admit that on and before the 1st day of June, 1873, said New Orleans National Banking Association were engaged in the banking business in the city of New Orleans, and continued to carry on such business until the 4th day of October, 1873, when they suspended, and on the 27th day of October, 1873, passed into the hands of the receiver; but these defendants upon information and belief deny that said banking association were in failing circumstances on the 1st day of June, 1873, or prior thereto, and was on said 1st day of June, 1873, and long prior thereto had, and ever since then have, been insolvent, and that the fact of said insolvency was well known to these defendants or either of them; and these defendants deny that they or either of them had any knowledge whatever of any such failing circumstances or insolvency, but, on the contrary, they aver that the said New Orleans National Banking Association were before and on the 1st day of June, 1873, and subsequently up to the 4th of October, 1873, in good credit and standing as a banking institution in New Orleans, New York, London, Paris, and other cities of Europe and America.

And, further answering, they deny that on or about the 20th of Sep-

tember, 1873, or at any time, the said New Orleans National Banking Association made any unlawful transfers of assets to these defendants or either of them with the unlawful intent to prefer the National Park Bank of New York, contrary to the provisions of the said act of
54 Congress; and they deny that the said New Orleans National
Banking Association were insolvent or in failing circumstances on or before the 20th of September, 1873.

And these defendants, further answering, say that on or about the 4th day of June, 1873, the defendant E. H. Reynes, at the city of New York, applied to the National Park Bank of New York for a loan to said New Orleans National Banking Association. That said National Park Bank agreed to loan to said New Orleans National Banking Association the sum of one hundred and fifty thousand dollars upon the discount of notes of said association, payable seventy-five thousand dollars on the tenth of October, 1873, and seventy-five thousand dollars on the twentieth of the same month, upon their pledging to said National Park Bank, as collateral security for said loan and to secure said notes, selected bills receivable to the amount of one hundred and seventy thousand dollars.

And defendants, further answering, say, upon information and belief, that said notes were executed by said New Orleans National Banking Association and forwarded to said National Park Bank on the 11th day of June, 1873, with the request that the proceeds of the discount thereof should be placed to the credit of said association, and that at the same time the president of said association forwarded to said National Park Bank a statement and receipt of one hundred and seventy thousand eighty-four dollars and forty-two cents of notes given as collateral security for said loan, for said notes. And these defendants, further answering, say that they are informed and believe that said notes so given as collateral security were placed in an envelope, marked
55 "In trust for National Park Bank," and delivered to C. Cavaroc
& Son, a commercial firm of New Orleans, soon thereafter, to be held by them for said National Park Bank and as their agents for the purpose, and that said notes were from time to time handed to the note-clerk of said New Orleans National Banking Association to be collected for said National Park Bank; that upon the maturity and payment in July, 1873, of certain of said pledged notes, the money therefor was passed to the credit of said New Orleans National Banking Association, and other notes were substituted therefor as collateral, pursuant to the prior agreement between said National Park Bank and said New Orleans National Banking Association.

That they are informed and believe that of the notes transferred and pledged to said National Park Bank to secure said loan of one hundred and fifty thousand dollars some matured and were paid and others were substituted therefor by said New Orleans National Banking Association, pursuant to said prior agreement between said National Park Bank and said New Orleans National Banking Association; that in lieu of the notes paid about that time, the following securities were, on October 6, 1873, so substituted as collateral, viz:

Note of F. B. Fleitas, past due, for	$3,000 00
" " H. E. Shropshire, due Dec. 21, 1873, for	1,770 78
" " E. M. Scott, due Dec. 18, 1873, for	6,000 00

and 52 shares of stock in the New Orleans Gas Light Co. were substituted.

And, further answering, defendants say that on said 6th of October,

1873, at the request of the National Park Bank of New York, said
56 C. Cavaroc & Son delivered all said notes and substituted notes to
these defendants except the notes of Fleitas, Shropshire, and Scott and the fifty-two shares of stock hereinbefore referred to, and except a note of P. S. Wiltz & Co. for one thousand dollars, and one of E. F. Moiton for eight hundred dollars, which were delivered to these defendants by said association on said 6th or 7th of October, 1873, to be held as originally designed upon the making of said loan.

And, further answering, they say that they are informed and believe that the proceeds of the said loan by said National Park Bank to said New Orleans National Banking Association, viz: one hundred and forty-six thousand four hundred and sixty-one dollars and sixty-four cents, on the seventeeth day of June, 1873, were placed to the credit of said association upon the books of said National Park Bank, and thereafter drawn for by said association in several checks; that said proceeds were paid in cash within four or five days thereafter in the due course of business by said National Park Bank; that said National Park Bank had no claim or account against said association, but that said loan was made on a new consideration, and that all said collaterals and those in the hands of these defendants have been transferred by said association to said National Park Bank for a lawful purpose and in due course of business, and that all said collaterals are subject to the lien and privilege of said National Park Bank to secure the payment of said two notes of seventy-five thousand dollars each, and eventual interest at seven per cent. per annum.

And these defendants, further answering, say that the assets mentioned
in Schedule A, annexed to complainant's bill, are all the assets
57 that have been in the hands of defendants or either of them since
the 20th September, 1873, derived from said New Orleans Nationa
Banking Association.

And these defendants, further answering, say that as agents of the said National Park Bank they have a right to retain and collect said notes and securities, and apply the proceeds thereof toward the payment of the said indebtedness of said association to said National Park Bank; that said notes and securities were lawfully pledged to said National Park Bank, whose agents these defendants are, for security of said loan made by said National Park Bank to said association, and that the general creditors have no right to the same except upon payment of amount advanced to said association on the faith thereof.

And, further answering, they say to the first interrogatory that the have in their possession and control the bills, notes, and securities named as set forth in Exhibit A, annexed to complainant's bill, except as shown by the annexed statement of amounts and notes, &c., collected, marked "Exhibit K" and made part hereof; that the same came into these defendants' possession on Oct. 6, 1873, to be held by them for account of and in trust for the National Park Bank and as a pledge to said Nationa Park Bank by said association, to secure the payment to said bank of the sum of one hundred and fifty thousand dollars loaned to said association by said bank; and these defendants claim the right to the possession and control thereof as agents of said National Park Bank.

II. And, further answering, these defendants say to the second interrogatory that they claim the right to sell, collect, or otherwise convert
said securities and apply same and proceeds thereof to the pay-
58 ment of the indebtedness of said association to said National
Park Bank. That they acquired said right as agents of said

tember, 1873, or at any time, the said New Orleans National Banking Association made any unlawful transfers of assets to these defendants or either of them with the unlawful intent to prefer the National Park
Bank of New York, contrary to the provisions of the said act of
54 Congress; and they deny that the said New Orleans National
Banking Association were insolvent or in failing circumstances on or before the 20th of September, 1873.

And these defendants, further answering, say that on or about the 4th day of June, 1873, the defendant E. H. Reynes, at the city of New York, applied to the National Park Bank of New York for a loan to said New Orleans National Banking Association. That said National Park Bank agreed to loan to said New Orleans National Banking Association the sum of one hundred and fifty thousand dollars upon the discount of notes of said association, payable seventy-five thousand dollars on the tenth of October, 1873, and seventy-five thousand dollars on the twentieth of the same month, upon their pledging to said National Park Bank, as collateral security for said loan and to secure said notes, selected bills receivable to the amount of one hundred and seventy thousand dollars.

And defendants, further answering, say, upon information and belief, that said notes were executed by said New Orleans National Banking Association and forwarded to said National Park Bank on the 11th day of June, 1873, with the request that the proceeds of the discount thereof should be placed to the credit of said association, and that at the same time the president of said association forwarded to said National Park Bank a statement and receipt of one hundred and seventy thousand eighty-four dollars and forty-two cents of notes given as collateral security for said loan, for said notes. And these defendants, further answering, say that they are informed and believe that said notes so
given as collateral security were placed in an envelope, marked
55 "In trust for National Park Bank," and delivered to C. Cavaroc
& Son, a commercial firm of New Orleans, soon thereafter, to be held by them for said National Park Bank and as their agents for the purpose, and that said notes were from time to time handed to the note-clerk of said New Orleans National Banking Association to be collected for said National Park Bank; that upon the maturity and payment in July, 1873, of certain of said pledged notes, the money therefor was passed to the credit of said New Orleans National Banking Association, and other notes were substituted therefor as collateral, pursuant to the prior agreement between said National Park Bank and said New Orleans National Banking Association.

That they are informed and believe that of the notes transferred and pledged to said National Park Bank to secure said loan of one hundred and fifty thousand dollars some matured and were paid and others were substituted therefor by said New Orleans National Banking Association, pursuant to said prior agreement between said National Park Bank and said New Orleans National Banking Association; that in lieu of the notes paid about that time, the following securities were, on October 6, 1873, so substituted as collateral, viz:

Note of F. B. Fleitas, past due, for	$3,000 00
" " H. E. Shropshire, due Dec. 21, 1873, for	1,770 78
" " E. M. Scott, due Dec. 18, 1873, for	6,000 00

and 52 shares of stock in the New Orleans Gas Light Co. were substituted.

And, further answering, defendants say that on said 6th of October,

1873, at the request of the National Park Bank of New York, said
56 C. Cavaroc & Son delivered all said notes and substituted notes to these defendants except the notes of Fleitas, Shropshire, and Scott and the fifty-two shares of stock hereinbefore referred to, and except a note of P. S. Wiltz & Co. for one thousand dollars, and one of E. F. Moiton for eight hundred dollars, which were delivered to these defendants by said association on said 6th or 7th of October, 1873, to be held as originally designed upon the making of said loan.

And, further answering, they say that they are informed and believe that the proceeds of the said loan by said National Park Bank to said New Orleans National Banking Association, viz: one hundred and forty-six thousand four hundred and sixty-one dollars and sixty-four cents, on the seventeeth day of June, 1873, were placed to the credit of said association upon the books of said National Park Bank, and thereafter drawn for by said association in several checks; that said proceeds were paid in cash within four or five days thereafter in the due course of business by said National Park Bank; that said National Park Bank had no claim or account against said association, but that said loan was made on a new consideration, and that all said collaterals and those in the hands of these defendants have been transferred by said association to said National Park Bank for a lawful purpose and in due course of business, and that all said collaterals are subject to the lien and privilege of said National Park Bank to secure the payment of said two notes of seventy-five thousand dollars each, and eventual interest at seven per cent. per annum.

And these defendants, further answering, say that the assets mentioned in Schedule A, annexed to complainant's bill, are all the assets
57 that have been in the hands of defendants or either of them since the 20th September, 1873, derived from said New Orleans Nationa Banking Association.

And these defendants, further answering, say that as agents of the said National Park Bank they have a right to retain and collect said notes and securities, and apply the proceeds thereof toward the payment of the said indebtedness of said association to said National Park Bank; that said notes and securities were lawfully pledged to said National Park Bank, whose agents these defendants are, for security of said loan made by said National Park Bank to said association, and that the general creditors have no right to the same except upon payment of amount advanced to said association on the faith thereof.

And, further answering, they say to the first interrogatory that the have in their possession and control the bills, notes, and securities named as set forth in Exhibit A, annexed to complainant's bill, except as shown by the annexed statement of amounts and notes, &c., collected, marked "Exhibit K" and made part hereof; that the same came into these defendants' possession on Oct. 6, 1873, to be held by them for account of and in trust for the National Park Bank and as a pledge to said Nationa Park Bank by said association, to secure the payment to said bank of the sum of one hundred and fifty thousand dollars loaned to said association by said bank; and these defendants claim the right to the possession and control thereof as agents of said National Park Bank.

II. And, further answering, these defendants say to the second interrogatory that they claim the right to sell, collect, or otherwise convert said securities and apply same and proceeds thereof to the pay-
58 ment of the indebtedness of said association to said National Park Bank. That they acquired said right as agents of said

National Park Bank, and by virtue of the agreement between said association and said National Park and as heretofore recited.

III. And, further answering, these defendants say to the third interrogatory that all the collections or other dispositions made by them of said bills, notes, securities, or any of them, or proceeds thereof, are shown by the statement marked "Exhibit K," hereto annexed as part hereof, and referred to in answer hereto.

IV. And, further answering, these defendants say to the fourth interrogatory that they have not now and have not had or received at any time since the 20th of September, 1873, any other or different bills, notes, or other securities than described in Exhibit A annexed to complainant's bill.

And these defendants deny all and all manner of unlawful combination and confederacy wherewith they are by the said bill charged, without this, that there is any other matter, cause, or thing in the said complainant's said bill of complaint contained, material or necessary for these defendants to make answer unto and not herein and hereby well and sufficiently answered, confessed, traversed, and avoided, or denied, is true to the knowledge or belief of these defendants, all which matters and things these defendants are ready and willing to aver, maintain, and prove, as this honorable court shall direct; and humbly pray to be hence dismissed with their reasonable costs and charges in this behalf most wrongfully sustained.

CLARKE, BAYNE & RENSHAW,
Solicitors.

59 UNITED STATES OF AMERICA,
District of Louisiana:

Emile H. Reynes, being first duly sworn, deposeth and saith: That he is one of defendants in the foregoing answer named, and is a member of the firm of E. H. Reynes & Brother, defendants in the foregoing answer named; that he has read the same, and knows the contents thereof; that the said answer is true of his own knowledge, except as to such matters as are therein stated to be on his information and belief, and that as to those he believes it to be true.

E. H. REYNES.

Sworn to and subscribed before me, at the city of New Orleans, this 2d day of February, 1874.

ALFRED INGRAHAM,
Com'r of the United States.

60 UNITED STATES OF AMERICA,
District of Louisiana:

Charles E. Reynes, being first duly sworn, deposeth and saith: That he is one of the defendants in the foregoing answer named, and is a member of the firm of E. H. Reynes & Brother, defendants in the foregoing answer named; that he has read the same, and knows the contents thereof; that the said answer is true of his own knowledge, except as to such matters as are therein stated to be on his information and belief, and that as to those he believes it to be true.

CHARLES E. REYNES.

Sworn to and subscribed before me, at the city of New Orleans, this 2d day of February, 1874.

ALFRED INGRAHAM,
Com'r of the United States.

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Exhibit K.

Amounts collected on collaterals held in trust for National Park Bank, New York.

1873.			
Oct. 15.	Note of E. Duchamp in full		$2,254 28
" 15.	Note of Golsan Bros		128 15
" 18.	Note of E. F. Mioton, $800, rec'd on account cash	$200 00	
	Ext'd $600, 64 d—d. int. in advance	8 55	
			208 55
" 24.	Note of A. A. Mouton, $4,126.25, rec'd on ac. cash	1,031 56	
	Note $1,547.35, 40 d—d. interest in advance	15 28	
	Note $1,547.34, 60 d—d	22 31	
			1,069 15
" 27.	F. B. Fleitas, $5,000, rec'd on account cash	500 00	
	Note $4,500 @ 40 d—d. int. in advance	44 00	
			544 00
Oct. 29.	A. Dupaquier, $10,000, rec'd on account cash	1,000 00	
	Note $9,000 at 40 d—d. int. in advance	88 00	
			1,088 00
" 30.	L. Basset, $7,000, rec'd on account cash	600 00	
	122 days' back interest at 8 per cent.	189 78	
			789 78
" 31.	R. Villarubia, $3,000, rec'd on account cash	100 00	
	Note $2,900 at 30 d—d. interest	23 31	
			123 31
62 Nov. 4.	Note Geo. W. Manson, $982.75, rec'd on ac. cash	250 00	
	Note $738.32 at 30 d—d. interest added		250 00
" 7.	R. Dumestre, $726.60, rec'd on account cash	226 60	
	Note $500 at 30 d—d. int	3 77	
			230 37
" 18.	P. S. Wiltz $1,000, cash on account		250 00
" 22.	Allen, Poole, & Co., 10,000, cash on account		1,500 00
Dec. 5.	E. M. Scott in full		2,500 00
" 6.	A. A. Mouton, $1,547.35, rec'd on account cash	347 35	
	Note $1,200 at 40 d—d. interest	11 64	
			358 99
" 6.	Ben. Gerson in full		267 60
Dec. 8.	Geo. W. Manson, $735.32, rec'd on account cash	184 58	
	Note $557.95, at 30 d—d. interest added		184 58
" 10.	R. Dumestre $500, rec'd on account cash	250 00	
	Note $250 at 30 d—d. interest	1 88	
			251 88

Dec. 12.	A. Dupaquier, $9,000, rec'd on account cash	500 00	
	Note $8,500, 60 d—d. int	122 61	
			622 61
63 Dec. 16.	Note Allen, Poole & Co., $8,500, rec'd on ac. cash	1,000 00	
	Back interest 22 days	43 44	
	Note $7,500 at 60 d—d. interest	106 68	
			1,150 12
" 16.	Note J. A. Lum in full, part of collaterals to secure Leman's note		2,380 01
" 17.	E. F. Mioton $600, extended 60 d—d. interest in advance		8 55
	Total amount received to date		$16,159 93

DISBURSEMENTS.

Oct. 15.	Remittance in check on New York	$2,290 91	
	Premium at 4c	91 52	
			$2,382 43
" 21.	Remittance in check on New York	199 55	
	Premium at 4½	9 00	
			208 55
Oct. 24.	Remittance in check on New York	1,023 11	
	Premium at 4½	46 04	
			1,069 15
" 29.	Remittance in check on New York	1,596 09	
	Premium at 2¼	35 91	
			1,632 00
64 Nov. 1.	Remittance in check on New York	904 05	
	Premium at 7	9 05	
			913 10
" 5.	Remittance in check on New York	239 81	
	Premium	7 19	
	Not. fees	3 00	
			250 00
" 7.	Remittance in check on New York	227 97	
	Premium 1½	2 40	
			230 37
" 18.	Remittance in check on New York	246 31	
	Premium 1½	3 69	
			250 00
" 24.	Remittance in check on New York	1,474 20	
	Premium 1¾	25 80	
			1,500 00
Dec.	Check to E. H. Reynes & Bro. for—		
	Notarial fees	14 50	
	Certificates mortgage	5 50	
			20 00
			8,455 60
Dec. 17.	By cash balance in La. National Bank to account of National Park Bank		7,704 34
			16,159 94

65	Dec. 18th.	By cash received this day and to be added to above, Jacob Leman, 2 notes each	$11,250		
		Settled as below.			
		Collateral note, J. A. Lum, paid the 16th and applied	2,380		
		Cash this day		$20,120 00	
		Interest on past-due note, 15 days' @ 8 per cent		37 70	
					$20,157 70
	Dec. 18th.	Note E. M. Scott $6,000, received on account cash		1,000 00	
		Note extended $5,000, 60 days' interest		71 12	
					1,071 12
					21,228 82

Identified with the affidavits of E. H. Reynes and Charles E. Reynes, affixed hereto.

(Signed) ALFRED INGRAHAM,
Comm'r of the United States.

FEBRUARY 2d, 1874.

Entry at March rules, 1874.—*Extract from chancery order-book March 2d*, 1874.

JNO. COCKREM, REC'R,
vs.
NATIONAL PARK BANK OF NEW YORK ET AL. } No. 7072.

66 The complainant, by his solicitor, J. D. Rouse, has this day filed his replication to the answers of the National Park Bank of New York, E. H. Reynes & Bro., and E. H. Reynes and Charles E. Reynes, the individual members composing said firm, defendants.

Motion & order appointing receivers.—Entered and filed March 10*th*, 1874.

United States circuit court, 5th circuit and district of Louisiana.

JOHN COCKREM, RECEIVER OF THE N. O. B'k'g Ass'n,
vs.
NATIONAL PARK BANK OF N. Y. } No. 7072.

This cause coming on to be heard on the motion of the complainant for the appointment of a receiver, and an injunction pendente lite—

Present, J. D. Rouse and J. R. Beckwith, solicitors for complainant, and Clarke, Bayne & Renshaw, solicitors for respondents—

And the parties agreeing and consenting thereto, it is ordered that J. C. Denis and E. H. Reynes be, and they are hereby, appointed receivers, in accordance with complainant's motion, (to act jointly,) with full
67 power and authority to receive and take possession of the bills,

notes, and assets mentioned in the bill of complainant and exhibit herein, and all other assets and property held by defendants or either of them, the title whereto is in dispute in this cause, and to collect said notes, bills, and assets by suit or otherwise.

And, for a faithful performance of the trust reposed in said receivers under this order, or which may be reposed in them by any further order of the court in the premises, they shall give bond, in the penalty of fifteen thousand dollars each, with surety to be approved by the clerk of this court.

The compensation of said receivers shall be hereafter determined on consideration of their trouble, skill, and diligence in the premises. And it is further ordered that the defendants, immediately upon the qualification of said receivers, shall account to and turn over to them all said bills, notes, and assets mentioned in said bill of complaint and exhibit, and all other assets & property received by them from the New Orleans National Banking Association, (or the proceeds arising from the collection thereof,) which the complainant seeks to recover in 68 this suit, to be by said receivers held and disposed of as this court shall order and decree.

And it is further ordered that the said receivers do invest the money coming to their hands as such in registered bonds of the United States, whenever they shall have accumulated five thousand dollars, (and may so invest smaller sums at their discretion,) said bonds to be held subject to the order and disposition of this court.

And it is further ordered that, except as hereby modified, the restraining order hereinbefore granted do remain in full force until the further direction of this court.

Bond of E. H. Reynes, receiver.—Recorded and filed March 13th, 1874.

UNITED STATES OF AMERICA:

Know all men by these presents that we, Emile H. Reynes, as principal, and Joseph H. Oglesby, as surety, are held and firmly bound, jointly and severally, unto the United States of America, John Cockrem, receiver of the New Orleans National Banking Association, 69 and the National Park Bank of New York, in the sum of fifteen thousand dollars, lawful money of the U. S. of America, to be paid to the said U. S. of America, Jno. Cockrem, rec'r, &c., and the National Park Bank of N. Y., their heirs, executors, administrators, & assigns; for which payment well and truly to be made we bind ourselves, and each of us by himself, and each of our heirs, executors, administrators, firmly by these presents, sealed with our seals and dated the 16th day of March, in the year of our Lord eighteen hundred and seventy-four.

Whereas the said Emile H. Reynes has, by the order of the hon. the circuit court of the U. S. for the 5th circuit, holding sessions in and for the dist. of La., been appointed receiver in the cause now pending in said court, wherein John Cockrem, rec'r of the N. O. Nat. Banking Ass'n, is complainant, and the National Park Bank of N. Y. and others are defendants, as will more fully appear by said order entered in said cause March 10th, 1874:

Now, the condition of the above obligation is, that if the abovebounden Emile H. Reynes shall well, truly, and faithfully perform and discharge all the duties of such receiver, and will well and truly pay over and account for all the property and moneys which shall come into

his hands as such receiver, in accordance with the orders of said court in said cause, then this obligation to be void; otherwise to re-
70 main in full force & virtue.

(Signed) E. H. REYNES. [L. S.]
" J. H. OGLESBY. [L. S.]

Signed, sealed, and delivered in presence of—
(Signed) F. B. VINOT.

Approved:
(Signed) F. A. WOOLFLEY, *Clerk.*

DISTRICT & STATE OF LOUISIANA,
City of New Orleans:

This day personally appeared before me, the undersigned authority, Jos. H. Oglesby, who, being duly sworn according to law, did depose and say that he is worth the sum of fifteen thousand dollars over and above his debts and liabilities.

(Signed) J. W. OGLESBY.

Sworn to and subscribed before me this 16th day of March, 1874.

(Signed) F. B. VINOT,
U. S. Comm'r.

Motion and order appointing R. F. Harrison as receiver.—Extract from the minutes of April 25th, 1874.

JOHN COCKREM, RECEIVER,
vs. } No. 7072.
NAT. PARK BANK OF NEW YORK.

On motion of J. D. Rouse, solicitor for complainant, and Clarke, Bayne, and Renshaw, solicitors for defendants, suggesting that J. C. Denis, heretofore appointed receiver herein, (jointly with E. H.
71 Reynes,) having failed to qualify as such receiver, and the parties to said suit having nominated R. F. Harrison as receiver in the place and stead of said Denis, it is ordered that the said R. F. Harrison be, and he is hereby, appointed receiver in this cause, to act jointly with said E. H. Reynes heretofore appointed, with all the powers and duties granted and imposed by the order heretofore made in this cause decreeing the appointment of such receivers. And it is further ordered that said receiver give bond in the sum of fifteen thousand dollars, with solvent surety, for the faithful discharge of his duties as such receiver; said bond to be approved by the clerk of this court.

Bond of R. F. Harrison as receiver.—Recorded and filed April 28th, 1874.

UNITED STATES OF AMERICA:

Know all men by these presents that we, Richard F. Harrison, as principal, and Spencer Field, as surety, are held and firmly bound, jointly and severally, unto the United States of America, John Cockrem, receiver of the New Orleans National Banking Association, and
72 the National Park Bank of New York, in the sum of fifteen thousand dollars, lawful money of the United States of America, to be paid to the said United States of America, John Cockrem, rec'r, &c., and the National Park Bank of New York, their heirs, executors, administrators, and assigns; for which payment well and truly to be made

we bind ourselves, and each of us by himself, and each of our heirs, executors, administrators, firmly by these presents, sealed with our seals and dated the 28th day of April, in the year of our Lord eighteen hundred and seventy-four.

Whereas the said Richard F. Harrison has, by the order of the honorable the circuit court of the United States for the fifth circuit, holding sessions in and for the district of Louisiana, been appointed receiver in the cause now pending in said court wherein John Cockrem, receiver of the New Orleans National Banking Association, is complainant, and the National Park Bank of New York and others are defendants, as will more fully appear by said order entered in said case April 25th, 1874:

73 Now, the condition of the above obligation is that if the above-bounden Richard F. Harrison shall well, truly, and faithfully perform and discharge all the duties of such receiver, and will well and truly pay over and account for all the property and moneys which shall come into his hands as such receiver, in accordance with the orders of said court in said cause, then this obligation to be void; otherwise to remain in full force and virtue.

(Signed) RICHARD F. HARRISON. [L. S.]
" SPENCER FIELD. [L. S.]

Signed, sealed, and delivered in presence of—
(Signed) F. A. WOOLFLEY.
" R. B. HOLLY.

Approved:
(Signed) F. A. WOOLFLEY, *Clerk.*

DISTRICT OF LOUISIANA,
City of New Orleans:

This day personally appeared before me, the undersigned authority, Spencer Field, surety on the within bond, who, being duly sworn according to law, did depose and say that he is worth the sum of fifteen
74 thousand dollars over and above his debts and liabilities.

(Signed) SPENCER FIELD.

Sworn to and subscribed before me this 28th day of April, 1874.
(Signed) F. B. VINOT,
U. S. Comm'r.

Application of Reynes & Harrison in the matter of A. A. Mouton and A. Dupaquier.—Filed June 6th, 1874.

United States circuit court, district of Louisiana. In equity.

JOHN COCKREM, REC'R N. O. NAT. B'K'G ASS'N,
vs. } No. 7072.
NATIONAL PARK BANK OF NEW YORK ET AL.

To the honorable the judges of said court:

E. H. Reynes and Richard F. Harrison, heretofore appointed by this honorable court receivers in said cause, as will appear by the order and decree of record herein, respectfully show that, as such receivers, they are in possession of three promissory notes, two drawn by
75 A A. Mouton to the order of and endorsed by S. Cambon & Co., for $1,200.00 each, due respectively Jan'y 18th, 1874, and Jan'y 28th, 1874, and one note drawn by A. Dupaquier to the order of and endorsed by A. A. Mouton for $8,500, due February 13th, 1874, the

said Cambon & Co., endorsers, agreeing to remain bound; the drawer of said notes and the endorser of the Dupaquier note being both insolvents, as said receivers are informed, and, after diligent inquiry, believe.

They further show that the said Dupaquier and the said Mouton have made a proposition of compromise with their creditors, a copy of which is annexed and of record, marked A Z, in suits of Cockrem, receiver, vs. Cavaroc et al., No. 7064 of this honorable court.

That in their opinion the best interest of the parties to this suit will be attained by their concurrence in and acceptance of said proposed compromise, and the said Cockrem, in his capacity as complainant in said suit, respectfully submits the propriety of such compromise in the judgment of this honorable court, he being of opinion that such
76 compromise is the best thing that can be done in the premises.

Wherefore it is prayed that the defendant, the National Park Bank of New York, be ruled to show cause why this court should not order and grant an authority to said receivers to accept the aforesaid compromise.

(Signed) J. D. ROUSE,
Solicitor.

Motion & order allowing application.—Entered and filed June 6th, 1874.

United States circuit court.

COCKREM, REC'R,
vs.
NATIONAL PARK BANK OF NEW YORK ET AL. } No. 7072.

On motion of J. D. Rouse, solicitor, upon filing the application of E. H. Reynes & Richard F. Harrison, receivers herein, in the matter of the compromise proposed by A. A. Mouton and A. Dupaquier, it is ordered that the defendant, the National Park Bank of New York, show cause, if any it may or can, why the said
77 receivers should not compromise with the said Mouton and
the said Dupaquier on the terms by them offered. And thereupon Thomas Allen Clarke, esq., of counsel for said National Park Bank of New York, being present in court, took notice of said rule and consenting to take the matter up forthwith, the same was submitted by both parties, upon the application, exhibit, and affidavits on file; and thereupon the court considering that the interest of all parties concerned required the acceptance of their proposition, and a compromise with said A. A. Mouton and said A. Dupaquier on the terms proposed therein, it was ordered that said E. H. Reynes and Richard F. Harrison, as receivers, under the order of this court, be authorized to accept said proposition, the same to be without prejudice to the rights of the parties litigants in other respects, provided that the endorsers, S. Cambon & Co., of two of said notes, consent to remain bound.

Petition and order allowing receivers compensation.—Filed June 13th, 1874.

United States circuit court.

78 JOHN COCKREM, REC'R OF THE N. O. B'K'G
Association,
vs.
NAT. PARK BANK ET AL. } No. 7072.

To the honorable the judges of said court:

E. H. Reynes and R. F. Harrison, heretofore appointed receivers pendente lite herein, represent that they have entered upon the discharge of their duties as such long since; that they have invested in United States bonds, pursuant to the order of this honorable court in the premises, the sum of forty-one thousand eight hundred and thirty-four $\frac{49}{100}$ dollars, ($41,834.49,) realized from assets mentioned in the schedule annexed to complainant's bill of complaint, and have devoted much time to the care and attention of the assets held by them as such receivers.

And they further show that the order appointing them such receivers does not fix their compensation; wherefore they respectfully ask 79 that they be allowed the sum of ($600) six hundred dollars each on account of their compensation as receivers.

And they will ever pray, &c.,

(Signed) E. H. REYNES, *for self and*
" RICH'D F. HARRISON, *Rec'rs.*

Let the prayer of this petition be granted.
June 13th, 1874.
(Signed) E. H. DURELL, *Judge.*

Motion and order extending time for taking proofs and depositions.—Entered and filed June 16th, 1874.

United States circuit court, district of Louisiana. In equity.

JOHN COCKREM, REC'R OF THE N. O. NAT. B'K'G ASS'N,
vs.
NATIONAL PARK BANK OF NEW YORK ET AL.
} No. 7072.

By consent of parties, it is ordered that the time for taking proofs and depositions in this cause be extended until the first Monday in December next.

Motion and order in the matter of E. F. Mioton, bankrupt.—Extract from the minutes of April term, 1874.

NEW ORLEANS, *Wednesday, June 17th* 1874.

80 Court met pursuant to adjournment.
Present, Hon. E. H. Durell, dist. judge.

JOHN COCKREM, REC'R, &C.
vs.
NAT. PARK BANK OF N. Y.
} No. 7072.

On joint motion of J. D. Rouse, solicitor for complainant, and Clarke, Bayne & Renshaw, solicitors for defendants, it is ordered that the receivers, pendente lite, herein, be authorized, in the matter of E. F. Mioton, bankrupt, No. 1414, in the United States district court for the district of Louisiana, and as creditors of said Mioton, to vote at the general meeting of creditors, to be holden June 18th, 1874, either for an assignee or for the appointment of trustees, under the 43d section of the bancrupt act, and to concur in such agreement, as to disposition and application of said bankrupt's estate, as shall meet the approval of three-fo'rths in value of all the creditors thereof who shall have proved their claims.

Agreement extending time to take testimony.—Filed Dec. 7th, 1874.

81 United States circuit court, district of Louisiana. In equity.

COCKREM, REC'R N. O. NAT. B'K'G ASS'N,
vs.
NAT. PARK BANK ET AL.
No. 7072.

By mutual consent of the parties the time for taking testimony in the above-named cause is enlarged and extended to the first Monday of Jan'y, 1875.

New Orleans, Dec. 7th, 1874.

(Signed) J. D. ROUSE,
Sol'r for Comp'l't.
" CLARKE, BAYNE & RENSHAW,
Sol'rs for Def'ts.

Agreement extending time for taking testimony.—Filed January 4th, 1875.

United States circuit court.

JOHN COCKREM, REC'R OF N. O. NAT. B'K'G ASS'N,
vs.
NAT. P. BANK ET AL.
No. 7072.

It is hereby agreed that the time for taking testimony herein be enlarged and extended to the first Monday of Feb'uary, 1875.

(Signed) J. D. ROUSE,
Sol'r for Compl't.
" CLARKE, BAYNE & RENSHAW,
Sol'rs for Def'ts.

82 *Notice for leave to file supplemental bill.—Filed January 25th,* 1875.

United States circuit court, district of Louisiana.

JOHN COCKREM, REC'R &C,,
vs.
THE NAT. PARK BANK ET AL
No. 7072.

The defendants in the above-entitled cause are hereby notified that on Monday next, the 25th day of January, 1875, at 11 o'clock a. m., or as soon thereafter as counsel can be heard, Nicholas W. Casey will apply to said court for leave to file his supplemental bill of complaint, praying to be substituted as complainant in said suit in lieu of John Cockrem, to whom he has succeeded, as receiver of said New Orleans National Banking Association.

N. O., Jan'y 23d, 1875.

(Signed) J. D. ROUSE,
Solicitor.

Received a copy of above notice January 23d, 1875.

(Signed) CLARKE, BAYNE & RENSHAW,
Solicitors.

83 *Supplemental bill, substituting Nicholas W. Casey complainant.—Filed January 28th, 1875.*

United States circuit court, district of Louisiana.

JOHN COCKREM, REC'R OF THE N. O. NAT. B'k'g Ass'n,
vs.
THE NAT. PARK BANK ET AL.
} No. 7072.

To the hon. the judges of the said court:

This supplemental bill of complaint, exhibited by Nicholas W. Casey, of the city of New Orleans, and a citizen of the State of Louisiana, against the defendants, The National Park Bank of New York, and E. H. Reynes and Brother, and E. H. Reynes and C. E. Reynes, respectfully shows:

That heretofore, to wit, on the day of November, A. D. 1873, said John Cockrem, then being receiver of the New Orleans National Banking Association, exhibited against said defendants and filed in said court his original bill of complaint, setting forth and alleging that certain bills, notes, securities, the property of said association, and which
84 are more particularly described in the Exhibit A annexed to said
bill, were in the possession, custody, and control of said E. H. Reynes and Bro., who refused to deliver the same to the complainant, and praying process of subpœna against each of said defendants, and for a writ of injunction, pendente lite, restraining them from disposing of such assets, said injunction to be made perpetual on final hearing.

And said complainant further prayed "that, after due proceedings had, your honors do further adjudge, decree, and order the said defendants, each and all of them, to render a true, full, and correct discovery, statement, and account of all and singular said notes, assets, and securities so received by them since the 20th day of September, 1873, as well as all and singular the proceeds thereof, or any part thereof, in money or other valuable thing which may have come into their possession or the possession of either of them, from the redemption, payment, sale, or exchange thereof, and that they may collectively and sever-
85 ally be ordered to deliver the same to your orator, to be marshaled
with the assets of said New Orleans National Banking Association and administered by your orator in his said capacity in the manner directed by law, and for the general benefit of all the creditors thereof, in the order in which the law directs that the same shall be paid."

And said complainant prayed for general relief; all of which will more fully appear on reference to said original bill of complaint now on file.

And afterwards said defendants appeared and answered said bill, and the complainant filed his replication thereto, and receivers were appointed to take possession of and hold said assets, pendente lite.

And the said Nicholas W. Casey further shows that, since said suit was put at issue, the said John Cockrem resigned his office as receiver of the New Orleans National Banking Association, and that thereupon he, the said Nicholas W. Casey, having been duly appointed thereto by the Comptroller of the Currency, and qualified as such, became and
86 now is receiver of said association and in the full and lawful dis-
charge of his duties as such, and that said suit is still pending and undetermined in said court.

Wherefore the said Nicholas W. Casey prays that he may, in his official capacity as aforesaid, be substituted for the said John Cockrem as complainant, and that he may have the benefit of said suit and the proceedings therein against the said defendants, and the same relief and decree against them as the said Cockrem might have had, (the prayer of his said bill being hereby adopted,) and such other and further relief as the nature of the case and equity and good conscience may require. And he will ever pray, &c.

(Signed) J. D. ROUSE,
Sol'r for Compl't.

Order.

Let the within supplemental bill be filed, and let Nicholas W. Casey be substituted for "John Cockrem, receiver," as complainant in the within-entitled cause, and have the benefit of the proceedings therein, 87 and the same relief and decree against the defendants as the said John Cockrem might have had, as prayed for.

New Orleans, January 28th, 1875.
(Signed) W. B. WOODS, *Judge.*

Statement of receivers and prayer for compensation. Filed Jan'y 28th, 1875.

United States circuit court.

JOHN COCKREM, (NOW N. W. CASEY,) RECEIVER,
vs.
THE NAT. PARK BANK OF NEW YORK.
} No. 7072.

To the honorable the judges of the United States circuit court for the district of Louisiana:

The undersigned, receivers in the above case, respectfully inclose a statement of amounts collected and disbursed by them, and request that you will grant an order authorizing them to draw such sum in compensation as they may be entitled to at this time.

N. O., Jan'y 28th, 1875.
(Signed) RICH'D F. HARRISON,
" E. H. REYNES,
Receivers.

88 United States circuit court.

JOHN COCKREM, (NOW N. W. CASEY,) RECEIVER,
vs.
NAT. PARK B'K OF N. YORK.
} No. 7072.

Statement of R. F. Harrison and E. H. Reynes, receivers.

Gross amount assets turned over by E. H. Reynes........	$155, 479 02
Collected in currency, including $2,100, gold, interest on 35,000 U. S. sixes....................................	75, 710 59

DISBURSED.

1874.			
May 20.	Invested in $35,000 U. S. sixes....	$41, 834 49	
'75.			
Jan. 2.	" 20,000 "	23, 622 00	
	Represented by $55,000 sixes, 1881............		65, 456 49

1874.			
June 10th.	Paid receivers on % fees, $600 each.	$1,200	
	" tin box & stationery	4 50	
			1,204 50
July 11.	" city and State taxes on houses and lots taken of E. F. Mioton for debt of $14,985. (DeRuyter holds $15,000.)		
	½ State tax 1872	$201 06	
	" city " 1871-'2	711 53	
	" " " 1874	341 07	
			1,253 66
89 1875.			
Jan. 20.	Paid proportion of expenses in bankruptcy in E. F. Mioton's case		625 85
	" court costs in suit of Park Bank vs. J. J. Warren		21 50
	Cash in Louisiana National Bank		7,148 59
			75,710 00

New Orleans, Jan'y 28th, 1875.
(Signed) RICHARD F. HARRISON,
" E. H. REYNES,
Receivers.

5 % on 75,710.59 = 3,785.50.

Say	3,700
Less	1,200
	$2,500

Order.

Considering the within petition of Richard F. Harrison and E. H Reynes, receivers, it is ordered that a compensation of five hundred dollars, on account of their services, be allowed to each of them.

New Orleans, January 29th, 1875.
(Signed) W. B. WOODS, *Judge.*

Motion and order, time extended, &c., and examiner appointed.—Extract from the minutes November term, 1874.

NEW ORLEANS, *Thursday, Jan'y 28th*, 1875.

90 Court met pursuant to adjournment.
Present, Hon. W'm B. Woods, circuit judge.

COCKREM, REC'R, &C.,
vs.
NAT. PARK BANK ET AL. } No. 7072.

Upon suggestion that in this suit it has been necessary to file supplemental bills of complaint substituting N. W. Casey as complainant, and that, owing to the absence of a judge of this court, the necessary orders therefore could not be obtained, on motion of solicitors for complainant, it is ordered that the time for taking evidence in said suit be enlarged and extended to the first Monday in March. And it is further ordered, that F. A. Woolfley, esq., be appointed special examiner therein, under the 67th rule as amended, to take the depositions therein.

Petition of receivers in the matter of T. T. A. Lyon and J. W Bass, and order thereon.—Filed March 16th, 1875.

91 United States circuit court, fifth circuit and district of Louisiana.

JOHN COCKREM, (NOW N. W. CASEY,) RECEIVER, }
vs. } No. 7072.
NATIONAL PARK BANK OF NEW YORK. }

The undersigned, receivers in the above suit, respectfully represent that they are holders of two promissory notes, for $3,289.82 each, drawn by T. T. A. Lyon and J. W. Bass, and which fell due respectively on the 1st of Feb'uary, 1874 and 1875, with interest from date of said notes until paid at eight per cent. per annum; that said notes are first-mortgage notes, given for purchase of a certain plantation in the parish of Avoyelles, with vendor's lien, and the makers thereof have applied to these receivers to delay suit for a season, to enable the makers of said notes to negociate for advances to run said plantation and keep the property in good condition, in the hope of realizing a remunerative crop, from proceeds of which to re-imburse such advances and liquidate, in whole or in part, the notes above referred to. In view of the cir-
92 cumstances and of the unfavorable condition of the market for the sale of such properties under foreclosure, and the injury to be sustained by the parties to this suit, as well as by the drawers of said notes in their failure to make negociations for the means to operate the plantation, we, the undersigned receivers, respectfully ask that this honorable court issue an order authorizing us to accede to the request of the drawers of said notes, with a stipulation that the State and parish taxes shall be paid by the said drawers of said notes, in order that our position as receivers shall not be effected by such compliance.

New Orleans, March 15th, 1875.

(Signed) RICH'D F. HARRISON,
E. H. REYNES,
Receivers.

Order.

Considering the allegations of the within petition, it is ordered that R. F. Harrrison and E. H. Reynes, receivers, be authorized to delay suit upon two notes for a season, said notes being for $3,289.82 each,
93 and drawn by T. T. A. Lyon and J. W. Bass, and fell due respectively on 1st Feb'uary, 1875, and 1st Feb'uary, 1875, bearing interest at 8 per cent. per annum from their dates till paid, and are secure' by mortgage and vendor's privilege upon a certain plantation in the parish of Avoyelles, State of Louisiana.

This delay is granted for the purpose of enabling the drawers of said notes to negotiate for advances to run said plantation and keep the same in good condition, in the expectation of raising a remunerative crop, from the proceeds of which to re-imburse said advances and liquidate in whole or in part the said notes. On condition, nevertheless, that the State and parish taxes upon said plantation be paid by said Lyon and Bass.

March 16th, 1875.

(Signed) W. B. WOODS, *Judge.*

94 *Testimony for complainant.—Filed April 9th, 1875.*

United States circuit court, fifth circuit, district of Louisiana. In equity.

JOHN COCKREM, RECEIVER OF NEW ORLEANS National Banking Association,
versus
THE NATIONAL PARK BANK OF NEW YORK et al.
} No. 7072.

Testimony taken on behalf of complainant, by consent of counsel, before F. A. Woolfley, commissioner of the circuit court of the United States, dist. of L'a, this 26th day of January, 1875.

Present: J. D. Rouse and J. R. Beckwith, esq'r's, solicitors for complainant; Thomas Allen Clark, esq., solicitor for defendants.

HENRY BLACHE, a witness produced, sworn, and examined on behalf of complainant, deposes and says:

By Mr. Rouse:

Ques. Were you cashier of the New Orleans National Banking Association?

Ans. Yes, sir.

Ques. For how long?

95 Ans. For about ten months.

Ques. During what period of time?

Ans. From Nov'r, 1872, up to the time of its failure.

Ques. When did the failure occur?

Ans. On the 4th October, 1873.

Ques. What bank was the redeeming or reserve agent in New York?

Ans. The National Park Bank.

Ques. Was there any application made to it for assistance by the New Orleans National Banking Association?

Ans. There was, through E. H. Reynes.

Ques. When, and for what amount?

Ans. In the month of June, 1873, for the amount of $150,000.

Ques. What was the occasion for that application?

Ans. The bank was short of money, I suppose, and wanted to borrow.

Ques. Had it previous to that time been in straitened circumstances and financial difficulties?

Ans. Yes, sir.

Ques. State if you can some of the particulars, commencing with its first difficulties during the summer of 1873.

Ans. A few days previous to that, on the 31st of May, the bank was in a very desperate condition, hardly any cash in its drawers, and could only pay its balances of exchange in the morning by the amount deposited by M'r Clarke, who deposited $25,000 in currency.

Ques. Was that a new account?

Ans. That was a new account.

Ques. Had the calls on the bank for the first ten days in June been heavier than usual?

96 Ans. Yes, sir; the bank lost $400,000 or $500,000 of its deposits in the course of ten or fifteen days.

Ques. What was the method proposed for obtaining money from the National Park Bank of New York?

Ans. They made an offer to loan $150,000 on the bank furnishing its two notes of $75,000 each, payable respectively on the 10th and 20th of October, 1873. These two notes were to be secured by collaterals to the amount of $170,000, to be deposited in trust with C. Cavaroc, president, for collection for account of the National Park Bank.

Ques. Were there any collaterals, so-called, or any portion of the portfolio of the bank, removed from the bank?

Ans. They were not removed from the bank.

Ques. State what was done with them and method of their collection and the disposition of the proceeds of the collection of the notes.

Ans. On the 11th of June, the date on which the notes were transmitted to the National Park Bank, a list of collaterals amounting to $170,000 was also made and transmitted to the Park Bank. The notes pledged were put in an envelope and handed to me as cashier; that is, they were first handed to Mr Cavaroc, who handed them back to me for safe-keeping. They remained in my possession for a few days, and then went back into the hands of the note-clerk, who collected the notes as they matured, charged the general cash of the bank, and notes and bills discounted were credited with the proceeds.

Ques. Were the proceeds of any such collections placed to the credit of the National Park Bank?

97 Ans. No, sir.

Ques. Were these notes payable to the order of the New Orleans National Banking Association?

Ans. I am not certain about that.

Ques. What was the custom of the bank as to making them so payable?

Ans. The general rule was to make them payable to the order of the bank; there was a stamp used for that purpose.

Ques. How was that stamp placed?

Ans. It was placed just above the signature of the last endorser on the note.

Ques. So as to make the note payable to the banking association?

Ans. To the bank; yes, sir.

Ques. Were any of these notes, which were said to have been pledged, endorsed by the banking association?

Ans. Not by me in my capacity of cashier.

Ques. Do you know whether they were endorsed or not by any officer of the bank?

Ans. I do not know that they were.

Ques. Whose duty is it to endorse notes when they are transferred by the bank?

Ans. I generally endorsed the notes.

Ques. Was there any act of pledge made at the time of this transaction?

Ans. There was nothing to show a pledge but the correspondence between the National Park Bank and the New Orleans National Banking Association.

98 Ques. Was there any formal act of pledge executed at any time by the New Orleans National Banking Association to the National Park Bank?

Ans. No, sir.

Ques. Were the most of these notes which were mentioned in the list sent to the Park Bank collected or otherwise used by the banking association—I mean the original list?

Ans. There were very few of them that were paid, but all those that matured in the month of July were taken as paid and a substitution of an equal amount made of other notes.

Ques. Were you acquainted with M'r E. H. Reynes?

Ans. Yes, sir.

Ques. In this transaction I understand you to say that he acted as the agent of the National Park Bank of New York?

Ans. Yes, sir.

Ques. Have you seen the statement furnished by him of the notes and securities which were eventually delivered by the New Orleans National Banking Association?

Ans. I have.

Ques. Do you know when these securities were delivered to him as the agent of the National Park Bank?

Ans. They were delivered while I was away, immediately after the failure of the bank.

Ques. Can you produce that list of securities furnished by M'r Reynes or the firm of Reynes & Bro.?

Ans. Yes, sir.

(Witness produces the list asked for, which is offered in evidence by complainant and marked "Blache 1.")

Ques. Will you examine the list furnished by M'r Reynes &
99 Bro. and compare it with the list of notes annexed to the answer
of the National Park Bank and state whether that is a list of the
same notes or not?

Ans. Some of the notes on the list furnished by M'r Reynes are on the original list, but most all of the others have been changed.

Ques. Very few of the notes, I understand you, on the list furnished by Reynes & Bro. are on the original list sent to the National Park Bank and annexed to its answer?

Ans. Yes, sir.

Ques. You say with few exceptions it is materially different?

Ans. Yes, sir.

Ques. On the list marked "Blache 1" produced by you, as furnished by Reynes & Bro., appear fifty-two shares of the New Orleans Gas Light Co.; do you know when they were transferred?

Ans. It must have been transferred during my absence. In fact I know that it was not transferred before the failure. The fifty-two shares were pledged as collaterals to a note of Doize & Gaines.

Ques. You say there was some substitution of the notes originally turned over; who made the substitution?

Ans. The note-clerk, by order of the president.

Ques. Do you know that?

Ans. I know that there were substitutions made.

Ques. But you do not know by whose order?

Ans. No, sir.

Ques. Were any of these notes, so said to be substitued, removed from the possession of the bank at the time?

Ans. No, sir; not previously.

100 Ques. Was there a change of possession at the time of said
alleged substitution, or did they remain still in the portfolio of
the bank?

Ans. They remained in the bank.

Ques. Were they handed over to you, or did they still remain in the custody of the note-clerk?

Ans. The substituted notes remained in the custody of the note-clerk.

Ques. Was the matter of borrowing money from the National Park

Bank and executing notes for the amount thereof submitted to the board of directors?

Ans. No, sir.

Ques. As a board, was the fact brought to their knowledge that a portion of the portfolio of the bank had been pretended to be set apart for the benefit of the National Park Bank?

Ans. No, sir; the circumstances were never mentioned before the board officially.

Ques. Who kept the minutes of the meetings of the board of directors of the New Orleans National Banking Association?

Ans. I kept them.

Ques. Can you produce the minutes from the first of June, 1873, until the close of the bank?

Ans. Yes, sir.

(The minute-book being produced by witness, the complainant offers the same in evidence, certified copies to be furnished by the commissioner, Exhibit Blache 2.)

Cross-examined by Mr. Clarke:

Ques. Was not this loan of $150,000 an independent transaction by the National Park Bank?

101 Ans. Yes, sir.

Ques. It was not in payment of any previous debt?

Ans. No, sir.

Ques. The National Park Bank was not indebted to you in any way?

Ans. No, sir.

Ques. Did this money, the $150,000, go into the bank and used as its funds?

Ans. Yes, sir.

Ques. After you placed these notes in the hands of the note-clerk, he held them, did he not, in an envelope?

Ans. He did.

Ques. When these notes were paid that you say were paid, he put other notes into the envelope?

Ans. Yes, sir.

Ques. These notes that were paid were the most valuable of the two, I suppose?

Ans. I cannot say exactly when the notes were paid.

Ques. When notes were taken up, new notes were substituted for them in some instances?

Ans. Some of these notes have been paid and some renewed.

Ques. But whenever there was a payment, a new note was substituted?

Ans. Yes, sir.

Ques. And whenever there was a renewal a renewed note was placed?

Ans. Yes, sir.

Ques. And it so continued as long as they were there?

Ans. Yes, sir.

102 Ques. You spoke of these fifty-two shares of the New Orleans Gas Light Co.'s stock; did you say they were pledged to the bank to secure a note?

Ans. They were pledged to the bank by Doize & Gaines, as one of their collaterals to secure their own note for $30,000.

Ques. Was that one of the notes in this bundle?

Ans. No, sir.

Ques. Who held that note?

Ans. It was held by the bank.

Ques. And it continued to be held by the bank ?

Ans. Yes, sir.

Ques. And went into the hands of the receiver ?

Ans. Yes, sir.

Ques. You do not know the time, then, when this envelope was handed to Mr. Reynes, only the fact that it was not handed to him before you left here ?

Ans. I do not know when it was handed to him, but it must have been when I was absent.

Ques. Do you know it was in the hands of the note-clerk up to the time you left here ?

Ans. Yes, sir.

Ques. You knew it was in his hands when you left here ?

Ans. Yes, sir.

Ques. How long after this envelope was handed to Mr. Cavaroc did he hand it to you ?

Ans. The very same moment.

Ques. What did you do with it ?

Ans. I put it in my safe.

Ques. Would you recognize the envelope if you saw it ?

Ans. I believe I would.

Ques. What kind of an envelope was it ?

103 Ans. A common ordinary envelope of large size.

Ques. Was it in the shape of an envelope, or was it a large paper ?

Ans. No, sir; it was a regular envelope when I had it.

Ques. Did you see any change in it afterwards ?

Ans. No, sir; I never saw it after I handed it to the note-clerk.

Ques. Have you got the correspondence between the National Park Bank and your institution ?

Ans. Yes, sir.

By Mr. Rouse:

Ques. You do not know whether the notes were still kept separate and apart from the other notes of the bank, after being returned by you to him ?

Ans. No, sir.

HENRY BLACHE.

Subscribed and sworn before me January 26, 1875.

F. A. WOOLFLEY,
Commissioner of the Circuit Court of the United States,
Dist. of Louisiana.

Examination adjourned to Tuesday, Feb'y 25th, 1875.
(See depositions of W'm S. Brown, page .)

NEW ORLEANS, *March 6th*. 1875.

Present, J. D. Rouse & J. R. Beckwith for complainant.
" Tho's Allen Clarke for defendant.

Testimony resumed.

HENRY BLACHE recalled by defendant.

By Mr. Clarke:

Ques. Has Mr. Cavaroc any stock in the bank ?

Ans. Yes, sir.

Ques. What amount?

Ans. 1,367 shares.

Ques. How long has he held them?

104 Ans. Three or four years.

Ques. Has the banking association remitted to the Crédit Mobilier anything on account of the million of francs she drew?

Ans. No, sir; not prior to the failure.

(M'r Clarke, for defendants, offers in evidence a statement of the general book-keeper's daily balances, as they stood on the first days of April, May, June, July, August, September, and October, respectively.—Exhibit Blache 3.)

Re-examined by M'r Rouse:

Ques. Did these general statements on the first of each month always show the true condition of the bank?

Ans. In two cases that I remember they did not.

Ques. What was done to make it appear different from the actual condition?

Ans. There were deposits made by M'r Cavaroc of checks drawn on banks where he held no account at all. I recollect one deposit of $50,000, and I believe the other was $100,000. The deposit would go to his individual account as a credit, and the check deposited would go into the cash of the paying-teller as currency.

Ques. Is it not a frequent thing among the banks of New Orleans to doctor their statements on the first of the month, so as to make a good showing?

(M'r Clarke objects to any custom.)

Ans. I don't know about the other banks, but they did.

Ques. Did the item in the account of "individual deposits" show the correct amount due to the individual depositors in these statements?

105 Ans. No, sir; it shows about $100,000 more than the statement-book shows on account of the overdrafts.

Ques. Will you explain the item appearing in the statement under the head of "bills receivable?" What was that composed of?

Ans. They were notes without endorsers, which could not be discounted by the bank, and had to be classed as "bills receivable." They were generally given in settlement of some other debts.

Ques. In settlement of debts which the parties were unable to pay?

Ans. Yes, sir.

Ques. During the summer of 1873 were the notes which had been discounted at the bank, as a general rule, paid at maturity, or were there a great many renewals?

Ans. The greater part of them were renewals.

Ques. Were the renewals again repeated at the maturity of such notes, as a general thing?

Ans. Yes, sir.

Ques. How did they eventually turn out?

Ans. They are still unpaid, a great many of them.

Ques. Could they have been collected, as a general thing, at the time they were renewed?

Ans. I believe not.

Ques. Do these statements, which have been introduced in evidence, show the losses upon exchange?

Ans. No, sir; they do not show the losses at all.

Ques. Do they show the loss of the bank through Mallalieu & Co.?

Ans. No, sir; they do not show any loss at all, either on the portfolio, exchange, or anything else.

106 Ques. These statements, then, are simply a transcript of the balances in the ledger?

Ans. Yes, sir.

Ques. And when these balances constitute losses there is nothing in the statement to show that fact?

Ans. No, sir.

Ques. In your testimony as originally given in the Crédit Mobilier suit you stated the amount of notes and bills discounted carried upon the books of the bank at the time of the failure, and said that that did not include the bills receivable. Please explain the difference between these two accounts.

Ans. The notes and bills discounted were notes that were regularly passed through the discount-books of the bank, and the bills receivable—the entry was made by the general book-keeper—were notes received in settlement of indebtedness to the bank and not regularly discounted.

By M'r Clarke:

Ques. I suppose you mean that the notes at the time of discount went to "notes and bills discounted," and the bills receivable passed through the general book-keeper. There was no double entry made of the same items?

Ans. No, sir.

Ques. It was merely a separation of certain classes of paper?

Ans. Yes, sir; bills receivable have nothing but one drawer—that is, without an endorser—and the bank could not carry them to notes and bills discounted.

Ques. They were received in lieu of paper that had been protested?

Ans. Yes, sir.

107 Ques. And it is not a double entry?

Ans. No, sir.

Ques. There is the same amount of notes and bills discounted in the portfolio and these besides?

Ans. Yes, sir.

By M'r Rouse:

Ques. Do all of these statements show the true amount of cash on hand?

Ans. I do not recollect but two instances, as I stated, that they did not represent the true amount of cash.

Ques. Do you remember after that there was a deficit in the cash?

Ans. I knew it at the time of the failure of the bank, but not before.

Ques. You do not know how long it had existed?

Ans. I know it from the paying-teller.

Ques. But you do not know how long it existed?

Ans. No, sir.

By M'r Clarke:

Ques. At what time was that transaction of $100,000 in M'r Cavaroc's check that you refer to?

Ans. I cannot exactly recollect. It was during the summer of 1873.

Ques. Can you approximate?

Ans. I cannot say what month it was.

Ques. Was it in the month of June?

Ans. I do not know.

Ques. Was it in the month of July?

Ans. I do not know; his individual account might show it.

Ques. When was that affair settled?

108 Ans. The next morning.

Ques. You say there was more than one such transaction?

Ans. I recollect twice.

Ques. But you don't recollect the time?

Ans. No, sir; I recollect the bank on which the check was drawn. It was the Louisiana National Bank.

Ques. That check was not collected. Was it handed back to M'r Cavaroc?

Ans. Yes, sir; and destroyed the next morning.

Ques. And his account debited with it?

Ans. Yes, sir; that is, he gave his check against the credit.

Ques. And took up his check?

Ans. Yes, sir.

Ques. That was all that was done? It merely appeared upon the books as so much cash?

Ans. It swelled the amount of the cash and the deposits for twenty-four hours.

Ques. It swelled the accounts of both?

Ans. Yes, sir.

Ques. And this was done twice, you say, but you cannot tell the times?

Ans. No, sir.

Ques. Was there not a great monetary crisis and panic in New Orleans about September, 1873?

Ans. Yes, sir; after the news of the suspension of Jay Cook' & Co.

Ques. And most of the banks of New Orleans suspended?

Ans. Yes, sir; except two or three.

109 With regard to the check deposited by Mr. Cavaroc to swell the cash and deposits, I do not know whether it was M'r Cavaroc's check or the check of the New Orleans Insurance Association.

M'r Clarke, for defendants, closes his case here.

(The complainant, in rebuttal, introduces a copy of the statement-book, showing the condition of the bank from the 24th of September, 1873, until the close of such statement—Exhibit Blache 4. And also the notarial act between certain banks of New Orleans, passed on the 25th of September, 1873, before Theodore Guyol, notary public, Exhibit Blache 5; which is objected to by M'r Clarke, for the defendants, as res inter alias acto.)

HENRY BLACHE examined by complainant in rebuttal.

Ques. Do you know William F. Halsey?

Ans. Yes, sir.

Ques. He is the agent of Brown Bro's & Co. in New Orleans?

Ans. Yes, sir.

Ques. Did he ever buy the exchange of the New Orleans National Banking Association?

Ans. Yes, sir; he bought it on Europe.

Ques. Were his purchases large or otherwise?

Ans. They were pretty large.

Ques. When did he close his account with the bank?

Ans. On the 4th of June, 1873.

Ques. Did he ever make any statement to you as the reason of his ceasing to do business?

(M'r Clarke, for defendants, objects on the ground that M'r Halsey has not been asked about any statements made by M'r Blache.)

110 Ans. He told me here in the office of M'r Cockrem that he was aware of the weak condition of the bank, and quit buying its exchange.

Cross-examined by M'r Clarke:

Ques. When did he make that statement to you?

Ans. It was in the summer of 1874.

Ques. What time?

Ans. It must have been in May or June, 1874.

Ques. Have the notes which were given to the National Park Bank been paid?

Ans. No, sir; they are not paid.

Re-examined by M'r Rouse:

Ques. State all you know about the pledge of fifty-two shares of the stock of the New Orleans Gas Light Company to secure a loan to Doize & Gaines, and the disposition of said stock.

Ans. Among the several collaterals given by Doize & Gaines to secure a loan made by the bank, there were fifty-two shares of the stock of the New Orleans Gas Light Co., which were transferred to the National Park Bank of New York on the 8th October, 1873, by C. Cavaroc, president of the bank.

Ques. Had it been transferred to the Park Bank in any manner previous to that?

Ans. No, sir.

Ques. Was the note of Doize & Gaines to which it was collateral transferred to the Park Bank?

Ans. No, sir.

Ques. Was it ever set aside, or put in the envelope which has been spoken of?

Ans. No, sir.

111 Ques. Had any credit been given to Doize & Gaines for the value of their stock on the note?

Ans. No, sir; not to my knowledge.

By M'r Clarke:

Ques. As regards this certificate of deposit for the Gas Light Co's stock, was that placed in the envelope, to your knowledge; do you know or not?

Ans. It was never placed in the envelope. It was not pledged to the Park Bank.

Ques. You do not know whether it was placed in the envelope among the securities of the Park Bank?

Ans. I know it was not. It was never pledged to the Park Bank.

Ques. Was the certificate of stock, I mean?

Ans. I don't know.

Ques. You don't know whether the certificate of stock was ever placed in the envelope as a substitute for other securities?

Ans. I do not know.

By M'r Beckwith:

Ques. I understand you to say that the books do not show any disposition of that certificate of gas-stock?

Ans. The books do not show it.

Ques. Do you know what became of the Doize & Gaines note?

Ans. Yes, sir; it is in the hands of M'r Rouse for collection.

Ques. As the attorney of the receiver?
Ans. As the attorney of the receiver of the bank.
112 Ques. Then it was among the paper turned over to the receiver?
Ans. Yes, sir.

(Complainant, in rebuttal, introduces a copy of the statements showing the condition ot the bank from the 24th September, 1873, until such statements close—Exhibit Blache 4. And also a notarial act between certain banks of New Orleans, passed on the 25th September, 1873, before Theodore Guyol, notary public, Exhibit Blache 5: which is objected to by M'r Clarke, for defendants, as being res inter alios acto.)

HENRY BLACHE.

Subscribed and sworn before me March 6, 1875.

F. A. WOOLFLEY,
Com'r of the Circuit Court of the U. S., Dist. of La.

Complainants and defendants here closed.

NEW ORLEANS, *Feb'y 25th*, 1875.

Present, J. D. Rouse & J. R. Beckwith, esq's, solicitors for complainant; Tho's Allen Clarke, solicitor for defendants.

Testimony resumed.

W. S. BROWN, a witness produced, sworn, and examined on behalf of complainant, deposes and says:

By M'r Rouse:

Ques. Are you an officer of the New Orleans Gas Light Co.?
Ans. Yes, sir; I am treasurer of that company.
Ques. Will you state when a transfer, if any, was made of any stock of that company to the National Park Bank of New York?
Ans. A transfer of 52 shares of the stock of the New Orleans Gas Light Co. was made to the National Park Bank of New York on 8th October, 1873.
113 Ques. By whom?
Ans. By C. Cavaroc, president.
Ques. In whose name, or in the name of what corporation, did that stock stand at the time the transfer was made?
Ans. The certificate was in the name of the Bank of New Orleans.
Ques. The New Orleans National Banking Association?
Ans. I am not sure of that. I do not know whether it was the Bank of New Orleans or the New Orleans National Banking Association.
Ques. Was it the bank of which M'r Cavaroc was president?
Ans. Yes, sir; it was.
Ques. Was there any other stock transferred to the National Park Bank?
Ans. No, sir; only these fifty-two shares of stock that I speak of.
Ques. Where does the New Orleans Gas Light Co. do business?
Ans. In New Orleans.
Ques. Is it incorporated under the laws of the State?
Ans. Yes, sir.

Cross-examined by M'r Clarke:

Ques. You do not know whether the certificate was in the name of the New Orleans National Banking Association, or in that of the Bank of New Orleans?
Ans. No, sir; but I can ascertain.

Ques. Please ascertain how any stock stood, in what name.

114 Ans. The stock stood in the name of the Bank of New Orleans.

Ques. Have you any knowledge of these fifty-two shares of stock of the New Orleans Gas Light Co. being pledged to the National Park Bank of New York?

Ans. I know nothing of the stock ever having been pledged.

By M'r Rouse:

Ques. When was the certificate issued to the Bank of New Orleans for that stock?

Ans. The 4th of August, 1870.

W'M S. BROWN.

Subscribed and sworn before me Feb. 25, 1875.

F. A. WOOLFLEY,

Com'r of the Circuit Court of the U. S., Dist. of La.

Examination adjourned to 26th February, 1875.

NEW ORLEANS, *Friday, February 26th*, 1875.

Present, J. D. Rouse & J. R. Beckwith, esq's, solicitors for complainant; Tho's Allen Clarke, esq., solicitor for defendants.

Testimony resumed.

CHARLES DEARMAS, a witness produced, sworn, and examined on behalf of complainant, deposes & says:

By M'r Rouse:

Ques. Were you employed in the New Orleans National Banking Association?

Ans. Yes, sir.

Ques. In what capacity?

Ans. As note and discount clerk.

Ques. During what time?

Ans. Three or four years.

Ques. When did you cease to be such?

115 Ans. At the time of the failure of the bank; I do not remember the date now.

Ques. Can you tell when the note of E. F. Mioton for $1,500, mentioned in Exhibit A, annexed to the complainant's bill, was acquired by the New Orleans National Banking Association?

Ans. On the 26th September, 1873.

Ques. Give the date on which the banking association acquired the note of R. Villarubia for $3,000, mentioned in said Exhibit A.

Ans. On the 28th of August, 1873.

Ques. And the note of H. F. Given & Co. for $3,131.99.

Ans. On September 1, 1873.

Ques. The note of A. A. Mouton for $4,126.25.

Ans. On July 23, 1873.

Ques. The note of F. B. Fleitas for $5,000.

Ans. On July 26, 1873.

Ques. The note of A. Dupaquier for $10,000.

Ans. July 28, 1873.

Ques. The note of R. Dumestre for $726.60.

Ans. On September 12, 1873.

Ques. The note of R. Villarubia for $757.15.

Ans. On September 6, 1873.

Ques. The note of H. F. Given & Co. for $11,476.88.

Ans. On September 18, 1873.

Ques. The note of Allen, Poole & Co. for $10,000.

Ans. September 20, 1873.

Ques. The note of E. F. Mioton for $800.

Ans. September 19, 1873.

Ques. Give the names of the makers and the dates when they
116 were acquired by the New Orleans National Banking Association,
of the notes following those already mentioned on Exhibit A.

Ans. One note of $5,000 and one note of $9,985 of E. F. Mioton were discounted on October 3, 1873. E. Deschamp's note of $2,254.28 was discounted October 2, 1873. G. W. Manson's note of $982.75 was discounted October 2, 1873. Ben Gerson's note for $267.60 was discounted October 2, 1873. E. M. Scott's note for $2,500 was discounted October 2, 1873. J. Aldige's note for $6,000 was discounted October 2, 1873. A. Richoux's note for $200 was discounted September 30, 1873. Golson Bro.'s note for $128.15 was discounted September 15, 1873. E. F. Mioton's note for $800 was discounted August 16, 1873. P. S. Wiltz's note for $1,000 was discounted September 15, 1873. H. E. Shropshire's note for $1,770.38 was discounted September 4, 1873. E. M. Scott's note for $6,000 was discounted July 25, 1873. The note of Bassett's estate for $7,000 was discounted April 8, 1871. It was a balance of a demand note.

Ques. Who had the custody of these notes?

Ans. They were in my hands for safe-keeping, but not as note-clerk. I had the control of them, but not as note-clerk.

Ques. Did you make any entries on your book showing the disposition of them?

Ans. That is to say, daily?

Ques. At any time did you make any entries showing the disposition of them?

Ans. No, sir; that is to say, when the notes were put into my hands
I substituted others.

117 Ques. I am asking now about these notes which you have been
testifying about. Did you make any entries in your books showing the disposition of them?

Ans. No, sir.

Ques. They appeared on your books as being the property of the New Orleans National Banking Association, along with the other notes discounted?

Ans. Yes, sir.

Ques. Where did these notes remain?

Ans. They were——; well, I must tell a long story. They were handed to M'r Cavaroc, under cover for safe-keeping; and being compelled every minute to have occasion to go to these notes, I asked M'r Cavaroc to let me have possession of them for safe-keeping.

Ques. Are you now speaking of the notes about which you have testified, or other notes?

Ans. Other notes.

Ques. What other notes do you refer to?

Ans. All the notes discounted by the bank, for which I substituted others. It is only by referring to the books that I could explain them.

Ques. When were these notes, about which you have been testifying, mentioned in Exhibit A, annexed to the complainant's bill, set apart, as you say, for any particular purpose?

Ans. It is hard for me to answer that question, because it is so confused that I could not swear to anything that I am not positive of.

As far as my department is concerned I could trace them, because several times I have taken some out of that list and put in others; I had to make substitutions, for if the list had been prepared by me, I could guide myself.

118 By M'r Clarke:

Ques. But you know nothing about this list marked "A," as it is prepared here?

Ans. No, sir.

(Counsel for complainant objects to counsel for defendant interrogating the witness and interrupting his examination; also objects to any statement of the witness thus elicited; and, per contra, counsel for defendants object to the witness being interrogated in reference to a paper which he (witness) says he knows nothing about.)

Ques. Did you have, as note-clerk in the bank, possession of any notes for collection, the proceeds of which were placed to the credit of the National Park Bank of New York?

Ans. To my knowledge nothing was brought to the credit of the National Park Bank in the books, in cash.

Ques. What accounts were credited with the collections made by you of the notes and bills discounted?

Ans. The account of "notes and bills discounted" was credited.

Ques. Was that the case with all the collections made by you as note-clerk?

Ans. Yes, sir.

Ques. You had charge of all these collections, had you not?

Ans. Yes, sir.

Ques. Were any such collections ever credited to the National Park Bank of New York?

Ans. Not by me.

Ques. If any notes were held for that account by you, what was done with the proceeds?

Ans. It would be thrown into the cash of the bank.

119 Ques. Was there any difference in that case, and the entries in the case of any other collections of notes and bills discounted?

Ans. No, sir.

Cross-examined by M'r Clarke:

Ques. You speak of these notes about which you have testified as being in your hands; how were they in your hands, these notes that you speak of? Were they not placed in an envelope in lieu of some others that had been taken out?

Ans. Yes, sir.

Ques. How did that envelope originate?

Ans. Well, I don't remember—not certainly—but by referring to the exchange-book you will find it.

Ques. Do you know of the original loan made by the National Park Bank?

Ans. I do not remember now; it was about $100,000 or $200,000.

Ques. But you know there was a loan made?

Ans. Yes, sir.

Ques. Was it not $150,000?

Ans. That I don't remember now without referring to the book.

Ques. When that loan was made was not this list marked "B" made out and the notes set apart as collateral security for it, the Exhibit B as annexed to the answer of the Park Bank?

Ans. Yes, sir.

120 Ques. This list is in your handwriting and prepared by you?

Ans. Yes, sir.

Ques. Do you know when it was prepared?

Ans. Yes, sir; but I will have to refer to the books for that. It was the 11th of June, 1873.

Ques. State the circumstances under which that list was prepared. What was done with the paper named in that list?

Ans. The banking association had borrowed money from the Park Bank, and M'r Cavaroc told me to give him a certain amount of notes to secure that loan of $150,000, which list I made, and took from my portfolio these notes and put them into an envelope, handed them to M'r Cavaroc first, and he presented them to the cashier.

Ques. In the same envelope?

Ans. Yes, sir.

Ques. How did they remain?

Ans. They remained in M'r Cavaroc's possession.

Ques. Did he hand them to the cashier for safe-keeping?

Ans. Yes, sir; because I needed these notes every day.

Ques. How did you come to have access to these notes?

Ans. I had to ask the cashier for the key of the private box, and he would give me the envelope, so that I could draw a note, collect the amount, and substitute another note in its place. By this means I had to make a new list every Saturday.

Ques. This Exhibit C contains the substitutes of the notes that were paid in the month of July, 1873?

121 Ans. Yes, sir.

Ques. Did that envelope remain in your hands after that time?

Ans. I told M'r Cavaroc that I could not keep the maturity of these notes if they were not in my possession; that I could not be running so often to the vault for the securities of the National Park Bank; that I should have them in my possession; so he gave them to me, and nobody had access to them without my permission.

Ques. They were under your control for account of M'r Cavaroc and the National Park Bank?

Ans. Yes, sir.

Ques. And there were substitutions made from time to time as the notes matured?

Ans. They were generally made every Saturday when I made out a new list.

Ques. Were lists prepared from time to time?

Ans. Yes, sir; for about two or three weeks.

Ques. Were written lists prepared like that, "C?"

Ans. Yes, sir.

Ques. Where are these lists?

Ans. I don't know—I gave them to M'r Cavaroc, and I made two or three of them on my tickler in pencil.

Ques. When these notes fell due did you make an entry on your cash-book of the name of the party entitled to the proceeds?

Ans. I only mentioned "note pledged to" so and so, or to the National Park Bank. I might not have done it every time because it was too general.

Ques. This cash-book of the bank shows it?

Ans. Yes, sir.

122 Ques. It shows on the margin where the collections were entered to the credit of the cash in the bank, that it was a note belonging to the National Park Bank?

Ans. Yes, sir; but the cash did not go to the Park Bank.

Ques. The cash went to the credit of the bank?

Ans. Yes, sir.

Ques. And then in lieu of that cash you placed in this envelope other notes?

Ans. Yes, sir.

Ques. And so on from time to time until the bank suspended?

Ans. Yes, sir.

Ques. What was done with the portfolio that you had in that envelope, or the notes in that envelope, at the termination of your business?

Ans. Before the closing of the bank M'r Cavaroc came and asked me if everything was straight of the bankers. I told him it was. Then he said "I want you to give me all the paper belonging to the different banks," and I did so.

Ques. What did you do with these notes of the Park Bank?

Ans. I put them in and gave them back to M'r Cavaroc.

Ques. Did you not give them to M'r Reynes?

Ans. I gave them to M'r Cavaroc, or rather, I gave them myself to M'r Reynes. I gave him three notes and some gas-light stock.

Ques. But the envelope containing the notes?

123 Ans. They were given to M'r Cavaroc.

Ques. Were not these notes the renewed notes for the originals?

Ans. Not always.

Ques. Were they not placed as securities in lieu of the securities that had been paid to the bank; that is to say, did not the envelope finally exhibit the condition of things resulting from the substitution of the new paper for that which had either been previously renewed or paid?

Ans. No, sir; because I used to change. I may have taken D'r Dupaquier's note for $10,000 out and substituted others.

Ques. But finally, the bundle which you handed to M'r Reynes or M'r Cavaroc was the result of the substitutions from time to time of paper for that which had previously been matured or renewed?

Ans. Yes, sir.

Ques. You know nothing of this list annexed to the complainant's bill which M'r Rouse showed you?

Ans. No, sir.

Ques. Have you any lists of the notes that were handed over to M'r Cavaroc finally by you?

Ans. No, sir; I had one for my own use.

Ques. Is that list marked "Blache 1," the securities that were finally delivered over to M'r Blache out of your hands just at the time of the bank's failure?

Ans. I cannot answer that. I expect so; but there were some that I do not see there.

Ques. All the paper that was handed by you to M'r Reynes
124 and M'r Cavaroc is the result of the various changes that were
made in the original securities?

Ans. Yes, sir.

Ques. Under M'r Cavaroc's direction to keep up securities sufficient to cover the indebtedness of the banking association to the Park Bank?

Ans. Yes, sir.

Re-examined by M'r Rouse:

Ques. Did you make any list prior to the failure of the banking association of what you call substituted paper, except the list annexed to the defendant's answer marked "Exhibit C?"

Ans. Yes, sir; I made two or three of them. I don't know whether it was for the Park Bank or not; but I made some for other banks.

Ques. Have you any recollection of making any list of what you call substituted paper for account of the Park Bank later than that of July 31, 1873?

Ans. Yes, sir.

Ques. What date did you make any such list?

Ans. It was every Saturday. I expect that July 31 was Saturday. Every Saturday I used to make them.

Ques. Did you not say on cross-examination that you did for a while make lists every Saturday and then ceased because it was too much trouble?

Ans. Yes, sir; I made them on my tickler.

Ques. What did you make on your tickler?

Ans. A pencil-mark.

Ques. What was the pencil-mark?

125 Ans. I used to make on the margin "for the Park Bank," and so on.

Ques. And the proceeds of all that paper, which you say was laid aside in the envelope as fast as collected, went into the general cash of the bank?

Ans. Yes, sir.

Ques. You say that certain paper was substituted for other paper; can you give the particulars of any such substitution?

Ans. Yes, sir, I think so, but I will have to refer to my books. By them I see one note of D'r Dupaquier, expiring on the 28th of July, 1873.

Ques. What was substituted for it?

Ans. Another note of D'r Dupaquier for $10,000.

Ques. On what date?

Ans. Another note due at ninety days for the same amount, $10,000; that is to say, when this note of D'r Dupaquier fell due on that date it was renewed by another note.

Ques. Can you give any other instance?

Ans. There was one note of P. S. Wiltz & Co. due July 29th, 1873, for $5,000 renewed by another note of $5,000 at sixty days.

Ques. These two notes that you speak of, D'r Dupaquier's and P. S. Wiltz & Co's, were paid at the time of their muturity?

Ans. No, sir.

Ques. Will you look at your books and see whether the entries say that they were not paid on that date?

126 Ans. According to my books they were paid. They were paid by the fact of their check, regularly in regular course of business, but another discount was given the same day which made the check good and renewed the note.

Ques. I notice on the list marked "Exhibit B," annexed to the answer of the National Park Bank, there is a note of C. Hodges for $2,488, due on the 1st of August; was that note paid on that date?

Ans. Yes, sir; it was paid on that date.

Ques. What note was substituted for it on that date; or was any note substituted for it on that date?

Ans. Yes, sir; another note of C. Hodges was substituted for it for the same amount.

Ques. When did that substituted note mature?

Ans. It matured on October 3d.

Ques. Was that note paid?

Ans. Yes, sir; it was paid as the other was.

Ques. Was there any note substituted for this second note of Hodges?

Ans. Yes, sir.

Ques. What note?

Ans. I cannot tell you. I see that the note of Hodges instead of passing to the National Park Bank was given to other bankers, and I put some other in its place.

Ques. What bankers did you give it to?

Ans. To the Crédit Mobilier; that is to say, if I made no mistake in my writing.

127 Ques. You cannot say what note was substituted in lieu of it, or that any note was substituted?

Ans. Some note was.

Ques. How do you know that there was a substitution if your books do not show it?

Ans. Because I did it personally.

Ques. You remember that distinctly, do you?

Ans. It is here. I remember that amount of $1,000. I gave him $1,000, and he may have given me $1,200, or so.

Ques. I understand you to say that you made these substitutions every Saturday?

Ans. Every two or three weeks.

Ques. After that you stopped making lists?

Ans. Yes, sir.

Ques. Were these notes ever removed from the bank?

Ans. I could not tell you; I cannot answer.

Ques. Prior to the failure of the bank, do you know whether they were removed from the bank or not?

Ans. Not to my knowledge.

Ques. They remained in your custody up to the time of the failure?

Ans. No, sir; before the failure of the bank I returned them back to M'r Cavaroc, who took possession of them.

Ques. How long before the failure?

Ans. The day previous; I do not remember now.

Ques. Was it after the close of the day previous?

128 Ans. No, sir; on the morning of the day previous, before the closing of the bank.

Ques. You did not see these notes afterwards?

Ans. No, sir.

CHA'S DEARMAS.

Subscribed and sworn before me February 26, 1875.

F. A. WOOLFLEY,
Commissioner of the Circuit Court of the United States,
Dist. of Louisiana.

129 It is agreed by all the solicitors that the time for taking testimony in this case be extended ten days from the 1st day of March, 1875.

NEW ORLEANS, *March 3d*, 1875.

Testimony resumed this day.

Present, J. D. Rouse & J. R. Beckwith, esq's, for complainant.
" Tho's Allen Clarke, esq., for defendants.

It is agreed that the deposition of Henry Blache, reserving all objections thereto, as taken in the case of John Cockrem, receiver, &c., vs. Charles Cavaroc & Son, No. 7064 of the docket of the United States circuit court for the district of Louisiana, shall be used as evidence in this case, the same as if taken therein.

Also the depositions in said case of Gustave Legardeur, George Lanaux, Amilcar Fortier, Paul Fourchy, E. H. Reynes, Thomas Janney, Gustave Blache, F. F. Case, Albert Baldwin, W. R. Lyman, M. F. Bonis, and Eugéne F. Mioton.

Complainant here rest' his testimony.

130 New Orleans, *Dec. 17th*, 1874.

Depositions of Henry Blache, Gustave Legardeur, George Lanaux, Amilcar Fortier, Paul Fourchy, E. H. Reynes, Thomas Janney, Gustave Blache, F. F. Case, Albert Baldwin, W. R. Lyman, M. F. Bonis, and Eugéne F. Moiton, taken on behalf of complainant, in the case of John Cockrem, receiver of the New Orleans National Banking Association vs. Charles Cavaroc & Son, No. 7064 United States circuit court offered in evidence by the complainant in this case.

131 New Orleans, *December* 17, 1874.

Henry Blache produced, and sworn on behalf of the complainant, deposes and says.

By M'r Rouse:

Ques. Were you in the employ of the New Orleans National Banking Association, prior to its failure?

Ans. Yes, sir.

Ques. State in what capacity, and how long.

Ans. I was there in different capacities, first as runner and exchange clerk, and for ten months cashier.

Ques. You were employed in the Bank of New Orleans and in the association which succeeded it for a number of years, were you not?

Ans. Yes, sir.

Ques. And still in the employ of the receiver?

Ans. Yes, sir; I am.

Ques. What do you know of the business of the bank in connection with the Crédit Mobilier, of Paris?

Ans. On the 10th of July, 1873, the bank received a cablegram from C. Cavaroc, j'r, then in Paris, stating that the bank could draw on the Crédit Mobilier at ninety days' sight for a million of francs, a list of the securities to be handed to Cavaroc. On the succeeding day, July 11th, a dispatch was received from the Crédit Mobilier asking the bank to defer the drawing of the bills, as the arrangement with Cavaroc was not yet completed. In the evening of the same day a second dispatch was received from C. Cavaroc, j'r, telling the bank to draw at ninety days' sight for a million of francs; that the Crédit Mobilier had accepted the guarantee of C. Cavaroc & Son.

132 On the 12th July, bills for one million francs at ninety days' sight were drawn to the order of F. Schuchardt & Sons and transmitted to them. They were negotiated by Schuchardt & Sons, and the bank drew its draft against the proceeds.

On the 19th August, in accordance with the contract with the Crédit Mobilier, a list of securities, notes, and bills discounted to the amount of $220,000 was made out by the note-clerk; the notes were put in an envelope with the name Crédit Mobiler, and a list of the notes forwarded by Cavaroc & Son to the Crédit Mobilier.

Ques. Can you produce the original letter-press copy of that list which you speak of, that was made on the 19th of August?

Ans. Yes, sir; there it is. (Letter-book produced.)

(Exhibit A 3 offered by complainant.)

Ques. Examine the list marked "Exhibit B" annexed to the answer of the Crédit Mobilier, defendants on file in this case, and see whether it corresponds in items and amount with the original?

Ans. Yes, sir; it does.

Ques. When was that original list made?

Ans. On the 19th of August.

Ques. Then if any list was made bearing date of July the 12th it was antedated, was it not?

Ans. It was.

Ques. Were any of these notes mentioned in the list which were not in existence on the 12th of July, or not in possession of the bank on that date?

Ans. I could not say exactly, but I believe there were some. I
133 examined the list sometime ago, when M'r DeArmas was examined here, and I recollect that one note was discounted on the 4th of October, which appears in the securities of the Crédit Mobilier.

Ques. On a subsequent list, however?

Ans. I cannot tell without referring to the books.

Ques. Can you tell by referring to the books?

Ans. Yes, sir.

Ques. Will you look at the note of A. Dapaquier for $30,000?

Ans. That note was discounted on the 9th August, 1873. It was not a renewal. I cannot say by this book whether it was a renewal or not, but I know there was a note discounted at that date.

Ques. When was the note of P. S. Wiltz & Co. for $5,000, acquired by the bank, which matured on the 20th October, 1873?

Ans. The note of P. L. Wiltz & Co. for $5,000 was discounted on the 18th of August, 1873.

Ques. The note also of Dupré, Reine & Co. for $2,000, maturing October 20, 1873?

Ans. The note of Dupré, Reine & Co. for $2,000 was discounted on the 18th of August, 1873.

Ques. When was the note of William Morrison & Co., which matured on the 19th of October, 1873, to the amount of $7,500, acquired by the bank?

Ans. On the 19th of July, 1873.

Ques. When was the note of I. Bloom & Co., for $2,834.65, due October 19th, 1873, acquired by the bank?

Ans. On the 18th of August, 1873.

Ques. What was done with those notes on this list of 19th of August, 1873?

134 Ans. They were given by the note-clerk to M'r Cavaroc, who handed them back to me for safe-keeping. They remained in my hands for about five or six days, when I again returned them to the note-clerk.

Ques. How were they treated afterwards in the business of the bank?

Ans. The notes were collected as they matured, and the proceeds placed to the credit of the bank, and a substitution of notes for an equal amount as those that were drawn was made.

Ques. In the course of such substitution, were the notes removed from the bank and delivered to Cavaroc & Son, or did they remain there and go through the same course?

Ans. They remained all the time in the bank.

Ques. Were there any entries made upon the books showing the disposition of these notes?

Ans. None at all.

Ques. The proceeds of collection were credited bills discounted the same as all other notes?

Ans. Yes, sir.

Ques. Did the proceeds go into the cash of the bank?

Ans. Yes, sir.

Ques. Were not some of these notes delivered by M'r Cavaroc to other parties?

Ans. Yes, sir; some of them were taken out and placed in the clearing-house.

Ques. They were treated in all respects as the property of the bank, the same as any other portion of the portfolio?

(M'r Clarke, for defendants, objects to the question, as it is a conclusion from facts.)

Ans. Yes, sir.

135 Ques. Was there any other call from the Crédit Mobilier for further security?

Ans. No, sir.

Ques. Were there any other lists made?

Ans. Yes, sir; a subsequent list of $325,000 was made.

Ques. What was the occasion for that?

Ans. I don't know.

Ques. How were the notes in this $325,000 list treated?

Ans. Well, I don't know when that list was made. It must have been made while I was away at Washington.

Ques. After the failure of the bank?

Ans. I suppose so; I am not certain. I do not know.

Ques. When did you leave here for Washington?

Ans. I left here on the 6th of October.

Ques. When did the bank fail?

Ans. The bank failed on the 4th of October, 1873.

Ques. You say you had no knowledge of any such list having been made prior to that time?

Ans. I had not.

Ques. Do you know whether or not any additional notes or securities were placed in the envelope corresponding with such list?

Ans. Not whilst I had them.

Ques. Was the whole amount still carried in the portfolio of the bank as bills discounted or were they charged to any special account?

Ans. There was no account kept. They figured as notes and bills discounted.

136 Ques. Was there anything to show to the directors of the bank, if they examined the books, that any such transaction had been made with the notes?

Ans. No entry whatever.

(Counsel for complainant now calls upon M'r Thomas Allen Clarke, counsel for the Crédit Mobilier, defendants, for all original statements of assets, correspondence, and lists of notes of the New Orleans National Banking Association addressed to the Crédit Mobilier, and particularly the lists of the notes bearing date August 19th, 1873, and the lists of notes of a subsequent date unknown, and the letters of C. Cavaroc & Son or the New Orleans National Banking Association referring to the same; and the Crédit Mobilier, through Thomas Allen Clarke, esq., of counsel, acknowledge this notice of demand.)

By M'r Rouse:

Ques. Can you produce the minutes of the proceedings of the board of directors of the New Orleans National Banking Association for the four months prior to its failure?

Ans. Yes, sir; it is here. (Minute-book produced.)

Ques. Who kept the minutes of the proceedings of the board of directors?

Ans. I did.

Ques. Were they written up by you and signed by you?

Ans. Yes, sir.

(Complainant offers in evidence the minutes of the proceedings of the board of directors of the New Orleans National Banking Association, the
book in which they are recorded, commencing on page 56 with the
137 meeting of June 5th, 1873, including all the minutes of proceedings
on said page 56 and the following pages, to and inclusive of the minutes of the meeting held on October 4, 1873, recorded on page 66, copies of which are to be furnished verified by the examiner.) (Exhibit A 4.)

Ques. Have you a knowledge of the condition of the bank for the months of May, June, July, August, and September, prior to its failure?

Ans. Yes, sir; the bank was in a pretty desperate condition.

Ques. What was its condition on the 31st May, 1873, in regard to its ability to meet the checks against it?

Ans. There were no funds at all in cash, or hardly any, except a few thousand dollars.

Ques. How did you manage to get through that day?

Ans. A deposit was made by a certain party of $25,000, which the bank used to pay balances of exchange that morning.

Ques. What day of the week was this?

Ans. That was on Saturday, the 31st May.

Ques. What was the bank's liability to depositors on that day?

Ans. $680,775.97, besides the amount of $3,450 on special deposit with four per cent. interest.

Ques. Could you give the details as to the condition of the cash on that day?

Ans. I will here remark that the individual depositors' account would have shown $100,000 more, had there not been overdrafts to the amount of $100,000.

Ques. So the actual amount due to depositors exceeded the amount stated on the books by $100,000?

Ans. Yes, sir; the individual books showed $100,000 more than the
general ledger, on account of overdrafts.

138 Ques. Can you give the particulars of the cash account of
that date, the 31st May?

Ans. No, sir; I cannot.

Ques. How would the checks for exchange with city banks compare in amount with those that were held against the bank?

Ans. I believe the checks against us exceeded the amount of our checks against other banks, because at that time there were heavy calls on the bank. I am not certain, though, on that particular day, but my impression is that it must have been so.

Ques. What took place on the first day of June in regard to the difficulties of the bank?

Ans. On Sunday the first day of June there was a meeting of the bank presidents for the purpose of discussing the propriety of giving assistance to the bank.

Ques. The presidents of the New Orleans banks?

Ans. Yes, sir.

Ques. At whose request was this meeting held?

Ans. At the request of M'r Cavaroc.

Ques. Do you know who was present; can you name any of them?

Ans. Yes, sir. There was M'r Kennedy, of the State National Bank; M'r Kohn, of the Union National Bank; M'r Schneider and M'r Cassard, of the Germania Bank; M'r Oglesby, of the Louisiana National Bank; and I believe M'r Fortier, of the Bank of America.

Ques. Was M'r Jonas, of the Canal Bank, there?

Ans. No, sir.

Ques. Or any one representing the Canal Bank?

Ans. No, sir.

Ques. What was laid before the assembled bank presidents?

139 Ans. Some of the books of the bank were produced there at the meeting; the statement-book and the discount-tickler.

Ques. Where was this meeting held?

Ans. At the banking-house, in the room of the board of directors.

Ques. How long did they remain consulting together?

Ans. About an hour.

Ques. What was the result of the meeting?

Ans. M'r Cavaroc came down then and informed me.

Ques. Were you present at the bank at the time of this meeting?

Ans. I was in the bank.

Ques. And you saw those parties go into the president's room?

Ans. Yes, sir; I had an appointment with the president for that purpose.

Ques. And you know that these books you speak of were taken in there?

Ans. Yes, sir; I gave them in myself.

Ques. State what knowledge you have, and how you acquired it, of what took place in that room.

Ans. All that I know was what M'r Cavaroc told me when he came down.

Ques. And what did he tell you?

1 (M'r Clarke, for defendants, objects to anything M'r Cavaroc may have
l.)
was's. He told me that the bank presidents had agreed to loan him
Mark'n $300,000 and $400,000, and that "we," meaning the bank, were
A. Po
must h What was your understanding as to how the loan was made,
Ques. to be made?
transferr ns. I understood that the loan was made to the bank, but I
Ans. Y wards found out that it was made to the New Orleans Mu-
Ques. Y ace Association.
given to yo , for defendants, objects to the latter portion of the above
Ans. Yes, rsay.)
Ques. Wer ou know why it was made to them?
Ans. Not t t.
Ques. They he loan was made, did the bank become the beneficiary
Ans. Until t d, if so, how?
Ques. Excep k did, in an indirect way; the money was deposited by
Ans. Yes, sir pany in the bank.
Ques. When now why the loan was made to the insurance company
bills discounted bank?
Ans. Yes, sir.
Ques. And we now whether the insurance company gave any securi-
Ans. Yes, sir.

Ans. Only by hearsay; I don't know myself.

Ques. Whom did you hear say anything about it ?

Ans. M'r Lanaux.

(M'r Clarke, for defendants, objects to the answer as hearsay.)

Ques. What further knowledge have you of the condition of the bank as to solvency or insolvency, and state the grounds of your knowledge ?

Ans. Taking into account the shrinkage of the assets of the bank, such as stocks, bonds, the depreciation of real estate, losses sustained in exchange operations, and notes and bills discounted, I believe that more than the capital of the bank was absorbed.

Ques. Suppose that during the months of July and August the panic which took place in September had occurred, could the bank have stood a run ?

(M'r Clarke, for defendants, objects.)

141 Ans. The bank would never have sustained a run.

Ques. During any part of that period from June to October ?

Ans. No, sir.

Ques. Was it not a matter of common understanding between yourself and the president that the bank was in a dangerous condition ?

Ans. I recollect one conversation I had with the president, in which he acknowledged that the bank was in a dangerous condition.

Ques. Can you give any details of the losses of the bank ?

Ans. Yes, sir; we lost at least between $150,000 and $200,000 in protested exchange, which was never paid. We lost at least $50,000 or $75,000 in the differences of exchange.

Ques. Have you made a statement of the items which figured among the resources of the bank, during that period, showing the actual losses at the time, and which should have been charged to "profit and loss ?"

Ans. Yes, sir; I have.

Ques. Can you submit such a statement ?

Ans. Yes, sir; I can—there it is.

(Complainant offers in evidence said document marked as "Exhibit A 5.")

Ques. Did you make that statement yourself ?

Ans. Yes, sir.

Ques. And you know it to be correct ?

Ans. I do.

Ques. The memorandum at the bottom of this Exhibit A 5 is d
to show some of the details of the statement ?

142 Ans. Yes, sir. The stocks and bonds there enumera
the rate at which they were carried upon the books.

Ques. Will you state how the dividends in that bank we
towards the close of its operations, say for the last year ?

Ans. The greater part of the dividends declared paid t
was charged to "suspense account," not earned.

Ques. In other words, they were paying dividends out
or cash resources, without having earned them ?

Ans. Yes, sir.

Ques. Was there always the amount of cash on han
represented ?

Ans. Not always.

Ques. State what the fact was in regard to the cash

Ans. Once or twice or three times deposits of check
M'r Cavaroc or the insurance association on a bank
account were deposited in the bank, and the check
into the exchanges, figured in the cash of the paying-

Ques. Can you state the amount of any such checks?

Ans. I recollect one for $100,000 and another for $50,000.

Ques. Was that during the period between July the 1st and October 4th?

Ans. Yes, sir; it was during the three or four months preceding the suspension.

Ques. What object was there in making these transactions,
143 placing these checks in the cash and counting them as such?

Ans. It was for the purpose of making the cash appear stronger than it was to furnish a statement to the clearing-house.

Ques. Would that affect the standing of the bank favorably with other banks and bankers in the city?

Ans. No, sir.

Ques. I mean would it make the bank appear to be in a better condition?

Ans. It would.

Ques. Was that the object?

Ans. That was the object.

Ques. What disposition was made of these checks eventually that were thus put in the cash?

Ans. They were destroyed the next morning, and the party depositing the check would draw the same check against that deposit and substitute it for the check in the hands of the paying teller.

HENRY BLACHE.

Subscribed and sworn before me December 17th, 1874.

F. A. WOOLFLEY,
Examiner.

Henry Blache resumed:

Ques. You have stated that some of the notes mentioned in the list, about which you have testified, or which were mentioned in other lists, were transferred or pledged to other parties; can you state what particular notes, and what disposition of them was made?

144 Ans. The note of R. A. Chiapella for $1,825.40 was transferred
to the clearing-house; the note of I. Bloom & Co. for $3,108.50 was also transferred to the clearing-house; also the note of Wolf & Marks for $2,500; also note of F. Camerden for $1,364.50; also note of A. Poincy for $8,500; also note of E. S. Wurzburger for $2,800. There must have been some others which I had no time to check off.

Ques. These notes mentioned were originally in the lists of those transferred to the Crédit Mobilier?

Ans. Yes, sir; the list of the 19th of August.

Ques. You say that these notes on the list of the 19th August were given to you?

Ans. Yes, sir.

Ques. Were they ever removed from the bank?

Ans. Not that I know of, sir.

Ques. They remained in the custody of the officers of the bank?

Ans. Until the day of the suspension.

Ques. Except such as were paid?

Ans. Yes, sir; except such as were paid.

Ques. When they were paid the money was credited to notes and bills discounted?

Ans. Yes, sir.

Ques. And went into the general cash of the bank?

Ans. Yes, sir.

Ques. The same as the money received from the collection of any other of the portfolio?

Ans. Yes, sir.

HENRY BLACHE.

Subscribed and sworn before me Dec. 19, 1874.

F. A. WOOLFLEY,
Examiner.

145 Henry Blache, resumed.

By M'r Rouse:

Ques. How was the negotiation between the Crédit Mobilier and the New Orleans National Banking Association opened?

Ans. By telegraphic dispatches.

Ques. From whom?

Ans. C. Cavaroc, j'r.

Ques. Where was he?

Ans. In Paris.

Ques. Was he acting for the New Orleans Banking Association in this matter?

Ans. Yes, sir.

Ques. Can you produce the telegrams received from him?

Ans. Yes, sir.

(Witness now produces a telegram, dated July 11, 1873, which is hereto annexed as Exhibit A 6.)

Ques. This dispatch A 6 is in cypher?

Ans. Yes, sir.

Ques. Explain the cypher so that the dispatch shall be made intelligible by annexing the translation.

Ans. Yes, sir. The dispatch reads "Bank exchange purple." Purple means one million. "Thursday, ninety days sight, Société de Crédit Mobilier, giving best securities deposited with house."

Ques. The next telegram received was dated July 11th, 1873?

Ans. Yes, sir; which I now produce.

(Annexed and marked as "Exhibit A 7.")

Ques. Will you translate?

146 Ans. Yes, sir; "Cavaroc Banking Association, New Orleans; defer drawing, the agreement is not yet completed." (Signed) "Crédit Mobilier."

Ques. The next telegram received was dated July 11th, 1873?

Ans. The translation is "Draw bank one million; ninety days sight, Crédit Mobilier accepting our guarantee." (Signed) "Cavaroc."

(Same annexed and marked as "Exhibit A 8.")

Ques. Your statement of the contents is the translation of the cypher, is it not?

Ans. Yes, sir.

Ques. Can you produce the correspondence between the New Orleans National Banking Association and the Société de Crédit Mobilier, following these telegrams?

Ans. Yes, sir; I can.

(The correspondence is here produced by witness, consisting of three letters addressed by the New Orleans National Banking Association to the Crédit Mobilier, and five letters from the Crédit Mobilier to the New Orleans National Banking Association; also the letter from C. Cavaroc, j'r. to the Société Crédit Mobilier, dated July 11, 1873; all of which are now hereto annexed and marked as exhibits, seriatum, to wit, A 9, A 10, A 11, A 12, A 13, A 14, A 15, A 16, A 17. Offered by complainant.)

In response to a call made upon Thomas Allen Clarke, esq., of counsel for defendants, (the Crédit Mobilier,) for the production of the correspondence between the New Orleans National Banking Association and the Crédit Mobilier on the 17th December, 1874, M'r Clarke herewith produces all of the above as requested, and are marked Exhibits A 18 to A 28, inclusive.

147 By M'r Rouse:

Ques. Will you please state, if you know, what amount of unmatured paper was in the portfolio of the New Orleans National Banking Association at the time of its failure?

Ans. Yes, sir; by reference to the books this morning I found about $65,000.

Ques. Of what was that amount chiefly composed?

Ans. There was one note of $50,000 due in 1877. It was a mortgage note of N. S. Williams.

Ques. What is its value now?

Ans. It is worthless now.

Ques. About how much was the entire portfolio of the New Orleans National Banking Association indebted in the books of the bank under the head of "notes and bills discounted?"

Ans. $1,080,000.

Ques. I mean under the head of "notes and bills discounted?"

Ans. $1,080,000.

Ques. Does that include the bills receivable?

Ans. No, sir.

Ques. Was that amount of paper actually in the bank when it came into the hands of the receiver?

Ans. No, sir.

Ques. What had become of it?

Ans. It was pledged to the Crédit Mobilier and others.

Ques. Will you state to what others?

Ans. The National Park Bank and F. Schuchardt & Sons, of New York, and the New Orleans clearing-house.

148 Ques. The great bulk of the paper, then, had been passed over to the creditors of the bank about the time of its failure?

Ans. Yes, sir.

Cross-examined by M'r Clarke:

Ques. How long were you cashier of the New Orleans National Banking Association?

Ans. About ten months.

Ques. When did you come into the employment of the receiver?

Ans. In the month of January, 1874.

Ques. Where were you in the interval that time from the 4th October?

Ans. I was absent from the city, about fifteen days in Galveston, Texas, and the remainder of the time I was here.

Ques. You said in your direct examination that you were in Washington; that you left here on the 6th of October?

Ans. Yes, sir; and remained away for eight or ten days.

Ques. When these telegrams were received was there not an amount of security set aside and placed in the hands of M'r Cavaroc for the drafts being drawn?

Ans. No, sir; not to my knowledge.

Ques. Had you charge of the portfolio?

Ans. No, sir.

Ques. Who had?

Ans. The note-clerk.

Ques. What is his name?

Ans. Charles DeArmas.

Ques. You know nothing, then, except that a parcel was handed to you by M'r Cavaroc for safe-keeping?

149 Ans. I know that a list of the securities was made out.

Ques. Well, I am asking you about the securities when they were placed in the envelope; I want you to respond to the question; when were the securities placed in the envelope?

Ans. They were placed there on the 19th August.

Ques. Not until that time, from your knowledge of the fact?

Ans. No, sir.

Ques. Where were they from the 12th July until that time? Was there any selection on account of this matter until the 19th August?

Ans. No selection that I know of.

Ques. You don't know but what there was a selection?

Ans. There was no list of the securities.

Ques. I have not asked you about the list of securities.

Ans. Well, there were no securities put aside previous to the 19th August.

Ques. Either in an envelope or any memorandum made of them?

Ans. No, sir.

Ques. What was your first knowledge of the securities being set aside?

Ans. My first knowledge was the list given to me by the note-clerk.

Ques. When?

Ans. On the 19th August.

Ques. Is that the list?

(Witness is presented with a paper, which is subsequently offered in evidence by defendants Crédit Mobilier and marked as "Exhibit B 1.")

150 Ans. Yes, sir; that is the list.

Ques. Is that your signature?

Ans. That is my signature to it (B 1.) That is the list of securities put up, but is not the proper one.

Ques. You made it out?

Ans. No, sir; the note-clerk made the list.

Ques. You signed it?

Ans. Yes, sir.

Ques. What was the list made for?

Ans. It was made for the purpose of sending to the Crédit Mobilier.

Ques. Do you know how it was sent to the Crédit Mobilier?

Ans. I did not send it myself, but I understand that Mr. Cavaroc sent it.

Ques. Was there no addition made to that list? Do I understand you to say that at that time the notes were placed in the envelope handed to Mr. Cavaroc, and by him handed to you for safe-keeping?

Ans. Yes, sir.

Ques. And that you subsequently handed them to DeArmas; by whose direction?

Ans. Well, I had a great deal of trouble about getting the note-clerk to withdraw the notes that were maturing, and I requested Mr. Cavaroc to return the notes to the note-clerk.

Ques. You mean the package containing the securities?

Ans. Yes, sir.

Ques. Had you anything to do with them subsequent to the time of handling that package?

Ans. No, sir.

151 Ques. You had nothing to do with it?

Ans. No, sir.

Ques. Do you know of any notes being taken out?

Ans. Yes, sir.

Ques. Do you know of any being put in?

Ans. No, sir.

Ques. You know of notes being taken out?

Ans. Yes, sir.

Ques. And put into the bank?

Ans. Put into the bank, and then pledged to the clearing-house and others.

Ques. But you don't know of other notes being put back in lieu of them?

Ans. Well, I cannot say, because I did not see them.

Ques. You say in your direct examination that one of these notes mentioned in the list—some list—what list do you refer to?—was discounted on the 4th of October.

Ans. That was on the list of $325,000, not on this list (B 1.)

Ques. That list of $325,000; do you know the time that list was made?

Ans. No, sir.

Ques. Do you know nothing about it?

Ans. No, sir.

Ques. You stated in your direct examination that it was made out after you left here?

Ans. I don't know exactly when the list was made.

Ques. You said it was made when you were absent.

Ans. I think it was made then.

Ques. But I ask you as to the fact, whether it was made out before or after?

Ans. I don't know.

152 Ques. You don't know the fact whether it was made out before or after?

Ans. No, sir.

Ques. You had not charge of the parcel containing the notes, and you only know that some came out of that parcel, but you don't know whether any others went back into it or not?

Ans. No, sir.

Ques. Why were the notes taken out to be pledged to the credit of the clearing-house?

Ans. Because we had no other available assets to give to the clearing-house.

Ques. Because the assets you had on hand were not satisfactory to the clearing-house?

Ans. Yes, sir.

Ques. You spoke of a note discounted on the 4th of October in the $325,000 list?

Ans. Yes, sir.

Ques. What note was that?

Ans. A note of P. S. Wiltz & Co.

Ques. Was not that a renewal of a previous note of P. S. Wiltz & Co.?

Ans. Yes, sir.

Ques. For the same amount?

Ans. Yes, sir.

Ques. You stated that on the 31st May the condition of the bank was desperate?

Ans. Yes, sir.

Ques. How did you come to that conclusion; from your present examination of what was its state at that time, or from your knowledge of the existing condition of the bank on the 31st May; is it the opinion that you held at that time?

153 Ans. Yes, sir.

Ques. Had you made any estimate at that time of the state of the affairs of the bank?

Ans. I had.

Ques. But you had not made it in writing?

Ans. No, sir.

Ques. You had submitted it to no one?

Ans. No, sir.

Ques. Where was this statement prepared which you produced the other evening, marked "A 5?"

Ans. It was prepared here.

Ques. At what time?

Ans. Two or three days ago.

Ques. By whose direction?

Ans. No one's.

Ques. Voluntarily made by you?

Ans. Yes, sir.

Ques. At no suggestion from anybody?

Ans. Yes, sir.

Ques. By whom?

Ans. M'r Rouse.

Ques. What was the object of your visit to Washington?

Ans. To try to get the liquidation of the bank for the stockholders from the Controller.

Ques. Did you make any statements for presentation to the Controller?

Ans. No, sir.

Ques. What did you present to the Controller?

Ans. A statement from the books of the bank, just as it was, from the books.

Ques. Did any one accompany you on that occasion?

154 Ans. Yes, sir.

Ques. Whom?

Ans. M'r Aldidgé, one of the directors of the bank.

Ques. Who else?

Ans. M'r John Davis.

Ques. Did the Controller question you at that time with reference to the condition of the bank?

Ans. He did.

Ques. What did you state to him as to its condition?

Ans. I told him that the capital was gone.

Ques. You told him at that time that the capital was gone?

Ans. Yes, sir.

Ques. Was anybody present at that time?

Ans. M'r Aldidge and the assistant controller.

Ques. And they heard you say that the capital was gone?

Ans. Yes, sir; or pretty near gone.

Ques. Had you made at the time, yourself, any estimate?

Ans. Well, the estimate of the notes and bills discounted was made out by M'r Cavaroc himself.

Ques. At the time?

Ans. Yes, sir.

Ques. In writing?

Ans. No, sir; he merely told me what notes he considered bad, and what notes he considered good.

Ques. What was the estimate?

Ans. I don't know.

Ques. You don't recollect the result of the estimate?

Ans. Of the notes and bills discounted?

Ques. Yes.

Ans. No, sir.

155 Ques. Was this "suspense account" then $109,000?

Ans. It was.

Ques. Did the Controller ask you about that suspense account?

Ans. No, sir.

(M'r Beckwith, for complainant, objects, as the above contains no matter involved in the examination-in-chief, and this objection applies to all matters relating to interviews between the witness and the Controller of the Currency.)

Ques. Do these statements appear, as to figures, the same as it was presented to him? It was this statement of the 31st May, as I understand.

Ans. Yes, sir.

Ques. And it has been taken as the condition of the bank, as you estimated it at that time?

Ans. Yes, sir; on the 31st May the figures were the same as they are.

Ques. How does it compare with the figures at the time you had the interview with the Controller, in October?

Ans. The only difference is in the little bills here, (referring to Exhibit B 1,) but the rest, as to the notes and bills discounted and the bills receivable, are the same.

Ques. What was this loss on account of Sigournet Frères?

Ans. It does not appear on the statement-book of the bank. That is the loss in francs, but it is not brought out in dollars.

Ques. Had that occurred prior to the 31st of May?

Ans. Yes, sir.

Ques. How did it figure in the books of the bank?

156 Ans. It figured in the column of francs only; not in dollars.

Ques. What amount of francs?

Ans. About two hundred and fifty thousand francs, I think.

Ques. Did you not state to the Controller of Currency, in the presence of M'r Aldige, that the bank was not more than half lost; I mean the capital stock?

Ans. No, sir.

Ques. You never said so to the Controller?

Ans. I never said half, but I told him that the capital stock of the bank was mostly all absorbed.

Ques. Was lost?

Ans. Yes, sir; calculating upon the figures of M'r Cavaroc himself.

Ques. Have you made any statement from the 31st May to the time of the suspension of the New Orleans National Banking Association to the Controller?

Ans. I never made any statement. Our general book-keeper used to make the statements.

Ques. How where they forwarded?

Ans. They were forwarded by mail.

Ques. Was that the statement made under oath?

Ans. Yes, sir; under the oath of the directors.

Ques. What statements were forwarded? Have you copies of the statements forwarded from the 31st of May, and subsequent to that time?

Ans. No copies were kept of them.

Ques. No copies were made?

Ans. No, sir.

Ques. Did not you at any time take up the statement of the bank, examine for yourself, and make an estimate of it?

157 Ans. What time?

Ques. At any time after the 31st of May, or at that time.

Ans. I may have done it, but I don't recollect.

Ques. Did you reduce it to writing?

Ans. I don't recollect.

Ques. Could you have made this statement, A 5, without referring to the books?

Ans. One of the items I know by heart.

Ques. What was that?

Ans. The suspense account.

Ques. You say that the suspense account was charged to the dividends. By whose direction was that done?

Ans. By the president's.

Ques. Who was in charge of the books of the bank?

Ans. The general book-keeper.

Ques. Were they not under your general control as cashier?

Ans. No, sir.

Ques. In no way?

Ans. No, sir.

Ques. What was your duty as cashier?

Ans. My duty was to supervise generally and keep the correspondence of the bank.

Ques. And to supervise its affairs?

Ans. Yes, sir.

Ques. Documents issuing from the bank were signed by you?

Ans. Yes, sir.

Ques. And bills drawn by you were signed by you?

Ans. Yes, sir.

Ques. And endorsements of bills were made by you?

158 Ans. Yes, sir.

Ques. Did the bank continue to deal in exchange from the 31st May up to the time of its failure, or at any time?

Ans. Yes, sir; it continued the exchange until the last month.

Ques. Did you sell any bills in any part of the country or abroad?

Ans. Yes, sir.

Ques. How was the deposit account from the 31st of May up to the time of the failure? Were deposits coming in? Were they receiving deposits?

Ans. Yes, sir.

Ques. And drawing checks?

Ans. And drawing checks.

Ques. Pretty freely?

Ans. Yes, sir.

Ques. Was the bank in credit in the community?

Ans. I cannot say.

Ques. You know that it received credit from those who purchased its exchange, did it not?

Ans. Yes, sir.

Ques. Were they merchants?

Ans. Well, merchants do not buy foreign exchange.

Ques. They bought your exchange on New York?

Ans. Yes, sir.

Ques. Did not the banks purchase your exchange?

Ans. Domestic exchange they did.

Ques. They did purchase domestic exchange?

Ans. Yes, sir.

Ques. And the bank continued from the 31st May, from the time you speak of up to the time of its suspension, to take on deposit, pay out on deposit, and draw exchange on New York and abroad?

159 Ans. Yes, sir.

Ques. Was there any run upon the bank from the 31st May up to the time of the panic?

Ans. There was a run through the clearing-house, but not directly on the bank; that is, there was never a crowd in the bank at the counters, but through the clearing-house the bank was beaten every morning in exchanges to heavy amounts.

Ques. How did it settle it?

Ans. It settled it by drawing bills of exchange and getting money for them.

Ques. It always settled its balances, then, in the clearing-house, did it?

Ans. Yes, sir, except during the suspension of the bank, when they furnished notes and bills discounted.

Ques. That was after the panic?

Ans. On the 24th September, I think.

Ques. I see you mark down 224,000 city bonds at eighty cents; was that number of city bonds held by the bank? (Exhibit A 5.)

Ans. Yes, sir.

Ques. Did you figure them in this account at eighty cents at that time?

Ans. They figured that way on the books of the bank.

Ques. Where do you estimate the loss on them?

Ans. Bonds of the city are now worth about fifty cents.

Ques. But you state that these items at the bottom of Exhibit A 5 are the details of the items in the general account. What general account? Are the books here?

Ans. Well, there is an account open on the books for stocks and bonds.

160 Ques. Then the loss in the depreciation of stocks, bonds, and real estate is $70,000. Is that what you mean? And you put down this item of 224,000 city bonds at eighty cents?

Ans. These were the actual losses on the assets of the bank, I mean.

Ques. Now, why do you call that "loss on city bonds;" was it because their market value on the 31st May was less than eighty cents?

Ans. Yes, sir.

Ques. How about the State bonds? There are 5,000 State bonds at forty cents.

Ans. They are on the books at that.

Ques. Then you put down 224,000 city bonds, 5,000 State bonds, and

6,300 Odd Fellow's Hall bonds, all of which items make up about 234,000, at the pro rata at which they figure on the books?

Ans. Yes, sir.

Ques. Your estimated loss of $70,000 is the difference between the charge on the books of the bank and their market value on the 31st May?

Ans. Yes, sir.

Ques. Then there are four items of loss on bills of exchange; had these losses occurred at that time, May 31st?

Ans. Yes, sir.

Ques. The bills were protested?

Ans. Yes, sir.

Ques What was the aim of your visit to Washington?

Ans. It was to try and get the liquidation of the bank by the stockholders.

Ques. Were you paying-teller as well as cashier?

Ans. No, sir.

161 Ques. Who was?

Ans. M'r DeArmas was paying-teller.

Ques. As well as note-clerk?

Ans. No, sir; it was not the same one.

Ques. Another DeArmas?

Ans. Yes, sir.

Ques. What is his first name?

Ans. Rosamond.

Cross-examined by F. Fusilier, on behalf of C. Cavaroc & Son:

Ques. Did you not, previous to your leaving this city for Washington, state positively to the directors that, so far from the bank being insolvent, there would be left about $200,000 of its capital?

Ans. I said something of that kind, about $100,000 or $150,000. That was predicated upon the valuation placed by M'r Cavaroc himself on the notes and bills discounted which were under suspension and unprotested.

Ques. Did you or not know better at the time, or know otherwise?

Ans. My impression was that the bank was insolvent, because there were thousands of dollars of notes which I knew, that although not matured, to be worthless then, and they have proved to be so since.

Ques. Did you not in your experience ascribe this worthlessness which has occurred, as you have mentioned, to the failure of the bank?

Ans. No, sir.

Question. Or, in other words, that the debtors on these notes had been unable to pay them if the bank continued.

162 Ans. One or two might have been able to pay, but others could not possibly do it, in my opinion.

Ques. You have spoken of a note of Williams for about $50,000, which is worthless, as you say; do I understand you so?

Ans. Yes, sir.

Ques. Was not that note a mortgage note?

Ans. It was a mortgage note.

Ques. Bearing mortgage on what?

Ans. On a plantation in the parish of Terre Bonne.

Ques. How do you know that note is worthless?

Ans. From information received since.

Ques. Has there an attempt been made to foreclose the mortgage?

Ans. Not that I know of.

Ques. Who holds that note?

Ans. The receiver. It is not due until 1877.

Ques. Had you not, at any time after May, 1873, and prior to the closing of the bank, advised your friends to make their deposits in the New Orleans National Banking Association?

Ans. I never advised, that is, I never went to see any but one party; that was Mr. Mercier, and that was because I was begged to do so by Mr. Cavaroc. I never advised any other party.

Re-examined by Mr. Rouse:

Ques. Do you not know that the plantation on which the Williams note bears mortgage has already been sold out to satisfy claims for labor and supplies?

Ans. I don't know it personally, but I was told by the receiver that it was sold to pay for plantation supplies furnished by Mr. Kennedy.

163 Ques. Did not the New Orleans Banking Association borrow from the National Park Bank of New York a large amount of money in the month of June, 1873?

Ans. Yes, sir; the bank borrowed $150,000.

Ques. Is that not a very unusual course, for a bank to borrow money, unless it is in trouble?

Ans. It was done several times by that bank.

Ques. What was the occasion for borrowing so large a sum?

Ans. When the first loan was made the object was to discount paper as much as possible on the proceeds of that loan.

Ques. But this loan in June; what was the object of that? Was it not to enable the bank to pay its depositors?

Ans. Yes, sir; the bank was in a pretty tight place then, and we had to borrow everywhere we could.

Ques. This loan was effected early in June?

Ans. I don't recollect the date exactly.

Ques. A few days after the difficulty of the 31st May?

Ans. I can find the date.

Ques. Please find it, then.

(Witness produces a book and says:)

Ans. The loan was effected in the National Park Bank on the 11th June.

Ques. Were not some of the directors very largely indebted to the bank in the summer of 1873?

Ans. Yes, sir.

Ques. Will you state the nature of the indebtedness of some of them, giving their names?

164 Ans. M'r Mouton, one of the directors, had discounted paper to the amount of about $70,000, and an overdraft of about $60,000. P. S. Wiltz & Co. had discounted paper to the amount of about $60,000, and an overdraft of about $40,000. M'r E. F. Mioton had discounted paper to the amount of about $30,000, and M'r Haas, of the firm of Frank, Haas & Co., had about $30,000 paper discounted and exchange.

Ques. Have any of these four directors paid or settled their indebtedness?

Ans. They have been compromised, but no amount was ever paid to the bank since.

Ques. You mean there have been extensions of time granted, and reductions made of the amounts in some instances?

Ans. Yes, sir.

Ques. Was not one of the overdrafts settled by a check upon some account in the bank about the time of its failure?

Ans. Yes, sir; the president gave checks to M'r Mouton and P. S. Wiltz & Co. to cover their overdrafts; that is, I am not certain as to P. S. Wiltz & Co.; but about M'r Mouton I am certain.

Ques. You stated that the bank, during the summer of 1873, settled its balances sometimes by selling exchange?

Ans. Yes, sir.

Ques. Was not the drawing of bills upon the Crédit Mobilier for the purpose of tiding over some of its immediate difficulties?

Ans. Yes, sir.

Ques. Were there any cashier's checks outstanding at that time which were settled by bills drawn on the Crédit Mobilier?

165 Ans. I cannot recollect that.

Ques. Were there any cashier's checks outstanding on the 24th September, given to settle the daily balances which were subsequently secured through the clearing-house?

Ans. I believe there were some checks.

Ques. In M'r Cavaroc's estimate of the value of the assets, or the condition of the bank, did he not place considerable value upon a cotton claim of the bank pending in the United States Court of Claims?

Ans. No, sir; that had nothing to do with the assets of the bank.

Ques. But in speaking about its condition about the time of its failure, when M'r Cavaroc said that it would probably leave something for the stockholders, did he not base his hopes chiefly on the cotton claim?

Ans. No, sir.

Ques. In regard to the statement A 5, which you have stated was the result of a suggestion from me, did I suggest what statement you should make, or did I suggest that you should refresh your memory for the purpose of this examination?

Ans. You suggested to me to refresh my memory, and I drew up the statement and showed it to you afterwards.

By M'r Clarke:

Ques. Were these directors, whom you say were indebted in large sums, enjoying good credit at that time, in the summer?

Ans. I don't know how their credit stood.

Ques. They had not suspended?

Ans. They had not suspended at the time.

166 Ques. You say that M'r Cavaroc gave the bank a check—gave these gentlemen a check for the purpose of making up their overdrafts; had M'r Cavaroc funds in the bank then?

Ans. Yes, sir; he had $80,000 in the bank to his credit.

By M'r Fuselier:

Ques. During the interval which elapsed—you stated from the 31st May to the 4th November—did not Messrs. Cavaroc & Son have at different times large amounts to their credit on deposit in the bank?

Ans. Yes, sir; almost all the time.

Ques. What was the largest amount that you can recollect?

Ans. Well, during the year they had $150,000 to their credit.

Ques. At one time?

Ans. Yes, sir; at one time.

Ques. Had all the other houses large amounts?

Ans. Yes, sir.

Ques. Was not M'r Cavaroc also president of the New Orleans Mutual Insurance Association?

Ans. Yes, sir.

Ques. Where did that association deposit its moneys?

Ans. In the bank.

Ques. Did it deposit any of its moneys during the period I have spoken of—from the 31st May?

Ans. Yes, sir.

Ques. What was the largest amount that you can think of that that association had on deposit with that bank?

167 Ans. They have now $90,000.

Ques. Have they had at any other time a larger amount than that?

Ans. Well, I had no occasion to look over the account of the insurance company.

Ques. You have spoken of notes due by M'r Mioton. Do you know whether or not these notes are secured by mortgage collaterals?

Ans. Some of them were.

Ques. The largest amount or the smallest?

Ans. It was the largest amount, I believe.

Ques. Were any of the P. S. Wiltz & Co. notes secured by collaterals?

Ans. They were secured by collaterals of planters' notes.

Ques. Was it not the same with Mouton's notes, to a great or considerable extent?

Ans. No, sir; M'r Mouton had no other name but that of D'r Dupaquier.

By M'r Rouse:

Ques. Was not D'r Dupaquier a partner with M'r Mouton?

Ans. I don't know; the report is so, but I don't know.

Ques. Has there been or is there likely to be much realized from the collaterals connected with the paper of P. S. Wiltz & Co. or E. F. Mioton?

Ans. P. S. Wiltz & Co.'s collaterals, I don't know what they are worth.

Ques. Has there been much paid on the collaterals?

Ans. No, sir.

168 Ques. Was not the large balance which you speak of as being to the credit of Cavaroc & Son the result of the foreign exchange drawn by them and sold to the bank and the proceeds placed to their credit?

Ans. Yes, sir.

Ques. Was there not at the time the bank failed a large amount of such bills outstanding with the bank's endorsement?

Ans. A very large amount.

Ques. Can you state about what amount?

Ans. About a million and half francs.

Ques. Has any of that exchange been paid?

Ans. No, sir.

By Mr. Fusilier:

Ques. I want to know whether the collaterals, consisting of planters' notes, given by M'r Mouton, were not given by him to secure payment to the bank.

Ans. We had some papers.

HENRY BLACHE.

Subscribed and sworn before me December 21st, 1874.

F. A. WOOLFLEY, *Examiner*.

New Orleans, *December* 31, 1874.

Henry Blache resumed and examined.

By Mr. Rouse:

Ques. Since your last examination in this case have you made a more thorough investigation of the condition of the assets of the New Orleans National Banking Association on the 30th June, 1873?

Ans. I have made a detailed statement.

169 Ques. Can you produce such statement in connection with your testimony?

Ans. Yes, sir. (Witness here produces the statement, which is offered in evidence by complainant, and marked as "Exhibit A 29.")

Ques. What is the result of this new investigation of its affairs, as to its losses?

Ans. It shows a loss of $820,000.

Ques. Have you made an examination of the books by which you can state the condition of the portfolio of the New Orleans National Banking Association at the date of its failure?

Ans. I have.

Ques. Can you produce such a statement?

Ans. Yes, sir. (Witness produces such statement, which is offered in evidence by complainant, and marked as "Exhibit A 30.")

Ques. You stated that there was about $65,000 of unmatured paper came into the hands of the receiver; will you explain the difference between the amount coming into his hands and the amount on hand at the time of the failure?

Ans. An amount of about $5,000 was paid.

Ques. In the interval between the failure and the time of the receiver coming into possession?

Ans. No, sir; it was paid in the hands of the receiver. The amount surrendered by the banking association to the receiver of unmatured paper was about $70,000. I stated the other day that I believed it was between $65,000 and $70,000.

Ques. In your presenting the condition of the bank to the Controller of the Currency, upon whose estimate did you act as to the value of the assets?

170 Ans. Upon M'r Cavaroc's, for certain items only, such as the portfolio.

Ques. What was the custom in the bank in regard to the stamping of notes and bills discounted above the endorsement?

Ans. The rule was to use the stamp, passing the notes to the order of the bank.

Ques. You stamped above the endorsement "pay to the order of the New Orleans National Banking Association?"

Ans. Yes, sir.

Ques. At the time of this pretended pledge of the portfolio to the Société de Crédit Mobilier, did you endorse the notes?

Ans. At the time the notes were made? No, sir.

Ques. Did you ever endorse them?

Ans. I did, after the failure of the bank.

Ques. How long after?

Ans. When I got back from Washington.

Ques. Under whose direction?

Ans. At the request of M'r Cavaroc, in his own office.

Cross-examined by M'r Clarke:

Ques. This statement, marked "Exhibit A 29," which you present, has been made by you since your last examination?

Ans. Yes, sir.

Ques. The estimates made by you have been made since you were last examined?

Ans. Yes, sir; a detailed statement.

Ques. Was this stamp affixed to the notes that were transmitted to Cavaroc & Son under pledge to the Crédit Mobilier?

171 Ans. I am not certain of that, but I know that I endorsed the notes, and I suppose the stamp must have been put on too.

Ques. You don't know?

Ans. I don't know positively.

Ques. You have heard the conversation which M'r Aldige relates in his testimony as having taken place with you in reference to the statement of the bank. Is that a truthful statement?

Ans. I never had a conversation with him about the statement of the bank.

Ques. Did you prepare any statement at his request?

Ans. No, sir; the statement was prepared by the general book-keeper and taken from the books of the bank, and that is the statement which was handed to the Controller.

Ques. This last statement made up on the 4th of October, as exhibited in the general book-keeper's statement?

Ans. I don't know exactly what date it was made up, but it must be about the 4th of October.

Ques. Did you give M'r Aldige any such statement?

Ans. No, sir. During our trip to Washington, or the day before our departure, there was never any question raised as to the statement of the bank between M'r Aldige and myself.

Ques. Did you hand M'r Aldige any statement?

Ans. I had a statement which I showed to M'r Aldige, but I do not know what has become of it. I wish I could find it.

Ques. You do not know what has become of it?

Ans. No, sir.

172 Ques. You handed the copy of the statement to M'r Knox which you carried from here, taken from the books of the bank?

Ans. Yes, sir.

Ques. Did you state to the Controller that the bank lost some of its capital?

Ans. I stated to the Controller that the bank lost seven-eighths of its capital.

Ques. Did you make the statement to the Controller which M'r Aldige mentions with reference to its capital?

Ans. I said it lost about seven-eighths.

Ques. Did you say that the bank was able to meet its liabilities, having lost a portion of its capital, as M'r Aldige states?

Ans. No, sir. I stated to the Controller that seven-eighths of the capital of the bank was lost.

Ques. Did you say to the Controller what M'r Aldige states?

Ans. No, sir. The Controller never asked for an explanation, except as to the loss of the capital of the bank. The only mention made of a particular loss was that of Mallàlieu. He did not go into any statement in detail. There was no question about the "suspense account" or the "banks' and bankers' account," or the old portfolio, and many other items. The only particular loss which I mentioned was that of Mallàlieu, and the loss of seven-eighths of the capital of the bank.

Ques. M'r Aldige, in his testimony, relates the following:

"At one o'clock, when we met M'r Knox, he showed to M'r Blache the last statement furnished by him and on file at Washington, and asked him to explain the difference existing between that statement and 173 the one handed to him in the morning. Amongst other items M'r Blache explained that the bank had met, since that statement, with a loss of some $80,000 in the hands of one Mallàlieu, banker in London." Is that correct?

Ans. Not to my recollection. The previous statement of the bank was not mentioned by the Controller.

Ques. What did you say to him with reference to the loss of Mallalieu?

Ans. I stated before that I mentioned the loss of Mallalieu to the Controller.

Ques. M'r Aldige states further that you stated to the Controller, on this second interview, about this loss: "But, in spite of this loss, the bank was fully prepared, or able, to meet its obligations."

Ans. I answered that question before, saying that only seven-eighths of the capital was lost, and that the bank could pay its liabilities.

Ques. Do you remember any such statement being made to the board of directors as M'r Aldige relates in his testimony, to wit: "From the reports that were made to the directory, I knew that the bank was embarrassed, but it was stated that if the bank could reach the time the crops would be gathered in, and settlements made by the parties debtors to the bank, that the bank would find itself in a position to do still a good business." Was any such statement made in your presence?

Ans. No, sir.

Ques. Do you remember having the conversation with M'r Aldige in the cars which he relates, as follows: "Sometime during the summer of 1873, after the bank had been authorized to draw some large amounts on Europe, I met M'r Blache in the cars, and speaking of mat- 174 ters concerning the bank, I expressed the opinion that there was no difficulty in reaching the time of the maturity of the large amounts due to the bank, and asked him then whether it was not his opinion that the bank, after possibly reducing its capital, could not continue to do business with such reduced capital; and he shared fully that opinion of mine."

Ans. No, sir. I did talk to M'r Aldige once or twice, but not about the capital, or anything that he states in that testimony. I talked to him about the bank in a general way.

Ques. Wherein is that conversation different from the way M'r Aldige relates it?

Ans. I never spoke to him about the reduction of the capital that I know of, or to what amount it should be reduced.

Ques. What, then, was the conversation?

Ans. I spoke about the general condition of the bank and some losses, and the embarrassed condition that the bank was in.

Ques. Is that all?

Ans. Yes, sir; as far as I recollect.

HENRY BLACHE.

Subscribed and sworn before me December 31st, 1874.

F. A. WOOLFLEY,
Examiner.

175 NEW ORLEANS, *March 6th*, 1875.

Testimony resumed.

Henry Blache recalled by M'r Clarke and cross-examined.

Ques. Has M'r Cavaroc any stock in the bank?

Ans. Yes, sir.

Ques. What amount?

Ans. 1,367 shares.

Ques. How long has he held them?

Ans. Three or four years.

Ques. Has the banking association remitted to the Crédit Mobilier anything on account of the million of francs she drew?

Ans. No, sir; not prior to the failure.

(M'r Clarke, for defendants, offers in evidence a statement of the general book-keeper's daily balances as they stood on the first days of April, May, June, July, August, September, and October, respectively—Exhibit B 3.)

Re-examined by M'r Rouse:

Ques. Did these general statements on the first of each month always show the true condition of the bank?

Ans. In two instances that I recollect, they did not.

Ques. What was done to make it appear different from the actual condition?

Ans. There were deposits made by M'r Cavaroc of checks drawn on banks where he held no account at all. I recollect one deposit of $50,000, and I believe the other was $100,000. The deposit would go to his individual account as a credit, and the check deposited would go into the cash of the paying-teller as currency.

176 Ques Is it not a frequent thing among the banks of New Orleans to doctor their statements on the first of the month so as to make a good showing?

(M'r Clarke objects to any custom.)

Ans. I don't know about the other banks, but this bank did.

Ques. Did the item in the account of "individual deposits" show the correct amount due to the individual depositors, in these statements?

Ans. No, sir; it shows about $100,000 more than the statement-book shows, on account of the overdrafts.

Ques. Will you explain the item appearing in the statement under the head of "bills receivable;" what was that composed of?

Ans. They were notes without endorsers, which could not be discounted by the bank, and had to be classed as "bills receivable." They were generally given in settlement of some other debts.

Ques. In settlement of debts which the parties were unable to pay?

Ans. Yes, sir.

Ques. During the summer of 1873, were the notes which had been discounted at the bank, as a general rule, paid at maturity, or were there a great many renewals?

Ans. The greater part of them were renewals.

Ques. Were the renewals again repeated at the maturity of such notes, as a general thing?

Ans. Yes, sir.

Ques. How did they eventually turn out?

Ans. They are still unpaid, a great many of them.

Ques. Could they have been collected, as a general thing, at the time they were renewed?

177 Ans. I believe not.

Ques. Do these statements which have been introduced in evidence show the losses upon exchange?

Ans. No, sir; they do not show the losses at all.

Ques. Do they show the loss of the bank through Mallalieu & Co.?

Ans. No, sir; they do not show any loss at all, either on the portfolio, exchange, or anything else.

Ques. These statements, then, are simply a transcript of the balances in the ledger?

Ans. Yes, sir.

Ques. And where these balances constitute losses, there is nothing in the statement to show that fact?

Ans. No, sir.

Ques. In your testimony, as previously given, you stated the amount of notes and bills discounted carried upon the books of the bank at the time of the failure, and said that that did not include the bills receivable; please explain the difference between these two accounts.

Ans. The notes and bills discounted were notes that were regularly passed through the discount-books of the bank and the bills receivable—the entry was made by the general book-keeper—were notes received in settlement of indebtedness to the bank, and not regularly discounted.

By Mr. Clarke:

Ques. I suppose you mean that the notes at the time of discount went to "notes and bills discounted," and the bills receivable passed through the general book-keeper. There was no double entry made of the same items?

Ans. No, sir.

178 Ques. It was merely a separation of certain classes of paper?

Ans. Yes, sir; bills receivable have nothing but one drawer, that is, without an endorser, and the bank could not carry them to "notes and bills discounted."

Ques. They were received in lieu of paper that had been protested?

Ans. Yes, sir.

Ques. And it is not a double entry?

Ans. No, sir.

Ques. There is the same amount of notes and bills discounted in the portfolio, and these besides?

Ans. Yes, sir.

By Mr. Rouse:

Ques. Do all of these statements show the true amount of cash on hand?

Ans. I do not recollect but two instances, as I stated, that they did not represent the true amount of cash.

Ques. Do you remember after, that there was a deficit in the cash?

Ans. I knew it at the time of the failure of the bank, but not before.

Ques. You do not know how long it had existed?

Ans. I know it from the paying-teller.

Ques. But you do not know how long it existed?

Ans. No, sir.

By Mr. Clarke:

Ques. At what time was that transaction of $100,000 in Mr. Cavaroc's check that you refer to?

Ans. I cannot exactly recollect. It was during the summer of 1873.

179 Ques. Can you approximate?

Ans. I cannot say what month it was.

Ques. Was it in the month of June?

Ans. I do not know.

Ques. Was it in the month of July?

Ans. I do not know; his individual account might show it.

Ques. When was that affair settled?

Ans. The next morning.

Ques. You say there was more than one such transaction?

Ans. I recollect twice.

Ques. But you don't recollect the time?

Ans. No, sir; I recollect the bank on which the check was drawn. It was the Louisiana National Bank.

Ques. That check was not collected; was it handed back to M'r Cavaroc?

Ans. Yes, sir; and destroyed the next morning.

Ques. And his account debited with it?

Ans. Yes, sir; that is, he gave his check against the credit.

Ques. And took up his check?

Ans. Yes, sir.

Ques. That was all that was done, it merely appeared upon the books as so much cash?

Ans. It swelled the amount of the cash and the deposits for twenty-four hours.

Ques. It swelled the accounts of both?

Ans. Yes, sir.

Ques. And this was done twice, you say, but you cannot tell the imes?

Ans. No, sir.

180 Ques. Was there not a great monetary crisis and panic in New Orleans about September, 1873?

Ans. Yes, sir; after the news of the suspension of Jay Cook' & Co.

Ques. And most of the banks of New Orleans suspended?

Ans. Yes, sir; except two or three. With regard to the check deposited by M'r Cavaroc to swell the cash and deposits, I do not know whether it was M'r Cavaroc's check or the check of the New Orleans Insurance Association.

(The complainant, in rebuttal, offers in evidence a copy of the statement-book, showing the condition of the bank from the 24th of September, 1873, until the close of such statements, marked "Exhibit A 31." And also the notarial act between certain banks of New Orleans, passed on the 25th September, 1873, before Theodore Guyol, notary public, marked "Exhibit A 32;" which is objected to by M'r Clarke, for the defendants, as res inter alios acto.)

Examined by complainant in rebuttal:

Ques. Do you know William F. Halsey?

Ans. Yes, sir.

Ques. He is the agent of Brown, Bros. & Co., in New Orleans?

Ans. Yes, sir.

Ques. Did he ever buy the exchange of the New Orleans Nationa Banking Association?

Ans. Yes, sir; he bought it on Europe.

Ques. Were his purchases large or otherwise?

Ans. They were pretty large.

181 Ques. When did he close his account with the bank?

Ans. On the 4th of June, 1873.

Ques. Did he ever make any statement to you as the reason of his ceasing to do business?

(M'r Clarke, for defendants, objects, on the ground that M'r Halsey has not been asked about any statements made by M'r Biache.)

Ans. He told me here, in the office of M'r Cockrem, that he was aware of the weak condition of the bank, and quit buying its exchange.

Cross-examined by M'r Clarke.

Ques. When did he make that statement to you?

Ans. It was in the summer of 1874.

Ques. What time?

Ans. It must have been in May or June, 1874.

HENRY BLACHE.

Subscribed and sworn before me March 6th, 1875.

F. A. WOOLFLEY,
Examiner.

182 NEW ORLEANS, *December 23d*, 1874.

Testimony resumed.

GUSTAVE LEGARDEUR, J'r, a witness produced, sworn, and examined, deposes and says:

By M'r Rouse:

Ques. What is your occupation?

Ans. Notary public.

Ques. Did you prepare the act of mortgage which was executed by the New Orleans Mutual Insurance Association for the loan of money during the summer of 1873?

Ans. Yes, sir.

Ques. Where is that act?

Ans. That act has been destroyed, because it was made under certain conditions by the parties to the act.

Ques. Have you any copy of it?

Ans. No, sir.

Ques. Do you know whether there is any copy of it in existence?

Ans. No, sir; there is none in existence.

Ques. Was that act ever recorded?

Ans. No, sir.

Ques. State what the particulars of the act were.

Ans. The act was—M'r Cavaroc sent for me one day and told me to prepare an act of mortgage to secure loans made to the insurance association by the banks of New Orleans. He referred me first to M'r Oglesby, president of the Louisiana National Bank.

Ques. What did he refer you to him for?

Ans. To know in what way the act was to be drawn, and who
183 was to appear to represent the bank, and M'r Oglesby referred me to M'r Kennedy of the State National Bank. It was first intended——

(M'r Clark, for the defendant, the Société de Crédit Mobélier, objects to all the above, as because it is res inter alias acto as between the insurance association and other parties.)

Witness resumes: When I called on M'r Kennedy and saw him at the bank it was first intended to make the mortgage in favor of M'r Dupuy, cashier of the State National Bank, representing all the parties, but afterwards they determined to make it in the individual name of M'r Dupuy, so that the only parties to the act were M'r Cavaroc, as president of the New Orleans Mutual Insurance Association, and M'r Dupuy.

Ques. Upon what property was the mortgage?

Ans. It was on the property owned by the insurance association on Canal street.

Ques. The same property occupied by the New Orleans National Banking Association?

Ans. Yes, sir; where they both had their office, the New Orleans Mutual Insurance Association and the New Orleans National Banking Association.

Ques. What was the amount secured by the mortgage?

Ans. It was over $100,000 I believe. I don't know.

Ques. Was it not over $300,000?

Ans. I don't remember the amount now.

Ques. How was the amount represented?

Ans. By notes divided into coupons representing the indebtedness to the respective banks, so many thousands to one bank and so many to another.

Ques. How many banks received these notes?

184 Ans. They were all handed to M'r Dupuy. The only banks I know were the Louisiana National Bank and the State National Bank. These were the only banks I heard mentioned before me.

Ques. Who authorized you to destroy the act?

Ans. There was a clause in the act itself to cover the parties representing the bank.

Ques. Why was it not recorded?

Ans. Because the notes were paid at maturity.

Ques. Why did you not record the act at the time of its execution?

Ans. Because the parties told me not to do it because it could be an act until the notes should be paid.

Ques. When was it executed?

Ans. I think it was some time in June, 1873.

Ques. About what time was it destroyed?

Ans. I think in September, 1873.

Ques. Did you see the notes at the time they were paid?

Ans. Yes, sir; they were brought to me and I destroyed them.

Ques. You don't know whether that was the date of payment or after the date of payment?

Ans. No, sir; I don't know.

Ques. Did you have any written directions in regard to that act, or did you keep any memorandum?

Ans. No, sir; there were no written instructions whatever, only the amounts were given to me.

Ques. Who brought the notes to you after they were paid?

Ans. I think M'r Lanaux brought the notes to my office.

G. LEGARDEUR.

Subscribed and sworn before me, December 23d, 1874.

F. A. WOOLFLEY,
Examiner.

185 GEORGE LANAUX, a witness produced, sworn, and examined on behalf of complainant, deposes and says:

By M'r Rouse:

Ques. What is your present occupation?

Ans. Secretary of the insurance company.

Ques. What insurance company?

Ans. The New Orleans Insurance Association.

Ques. How long have you been such?

Ans. I have been secretary since the establishment of the company in 1869.

Ques. Did that insurance company mortgage its building for the purpose of raising money from the banks of New Orleans?

Ans. Yes, sir; the insurance company did mortgage in June or July, 1873.

Ques. What amount of money did it raise upon that mortgage?

Ans. We raised from the several banks of New Orleans $309,000. I don't know what amount the act of mortgage called for, because I never saw it. I know it existed because there was a resolution passed to that effect.

Ques. From what banks did you receive this money?

Ans. From the State National Bank, the Louisiana National Bank, The Union National Bank, the Germania National Bank, and the Bank of America.

Ques. What did you do with the money?

Ans. The money was deposited in the New Orleans National Banking Association.

Ques. In what manner did you receive it from them?

186 Ans. We received *in* from them in checks and in exchange. The checks were deposited and the exchange was negotiated through other banks or other parties, and the proceeds deposited in the bank.

Ques. Were any of the checks drawn on the New Orleans National Banking Association?

Ans. Not to my knowledge.

Ques. Was the insurance association in the habit of drawing foreign bills of exchange?

Ans. Yes, sir.

Ques. Were any such bills negotiated through the New Orleans National Banking Association?

Ans. Many of them.

Ques. About the time of this loan had there been any such bills negotiated?

Ans. That loan took place in the beginning of June. Well, I don't remember exactly.

Ques. Were any such bills drawn by you outstanding which had been negotiated by the New Orleans National Banking Association?

Ans. Yes, sir.

Ques. Was there any appropriation of the funds for the payment of such bills? If so, state what.

Ans. Out of this $309,000 there were $58,000 of exchange bought and remitted to Europe to cover previous drawings of the association, and that exchange was remitted on the 2d June.

Ques. Did you furnish the bank with money to protect any bills drawn by you?

187 Ans. No, sir, but we refunded to the bank. The New Orleans Insurance Association refunded to the New Orleans National Banking Association $100,000, equal to the amount of 460,000 francs, which had been previously sold to the New Orleans National Banking Association under a promise that this 460,000 francs would be returned to the New Orleans Insurance Association, duly cancelled.

Ques. When was this money furnished to the New Orleans National Banking Association?

Ans. This money was paid to that bank on the 4th June.

Ques. Were these bills returned to you?

Ans. No, sir.

Ques. Have they been returned to you up to the present day?

Ans. No, sir; not up to the present day.

Ques. Were not the relations between the New Orleans Insurance Association and the banking association very intimate?

(Mr. Clarke objects on the ground that the counsel for complainant must show the character of the relations.)

Ques. What was the character of the dealings between the two associations named?

Ans. The New Orleans Insurance Association was in the habit of selling exchange to the banking association to a considerable extent, and the New Orleans National Banking Association was the bank in which the insurance association deposited its funds.

Ques. Were the dealings large between them?

(Mr. Clarke, for defendants, objects.)

Ans. Yes, sir.

Ques. Do you know anything about the condition of the bank during the summer of 1873?

Ans. Not of my personal knowledge.

188 Ques. Do you know what the reputation of the bank was among the commercial community during the summer of 1873, for solvency?

Ans. It was current on the street that the banking association was in a weak condition.

Ques. Do you know anything about the meeting of bank presidents which occurred on the first day of June at the banking-house of the banking association?

(Mr. Clarke objects.)

Ans. I have not seen the meeting nor was I present at it, but I heard there was a meeting.

(Mr. Clarke objects to the above as hearsay.)

Ques. From whom did you hear it?

Ans. I think from M'r Cavaroc himself.

Ques. Who was the president of the bank?

Ans. And of the New Orleans Insurance Association.

Ques. Do you know what the meeting was called for?

Ans. No, sir.

Ques. Do you know what took place; do you know the result of the meeting?

Ans. The result of the meeting was a loan made of $309,000, made by the banks of New Orleans to the New Orleans Insurance Association. I draw that by inference. That loan was made from the first to the fourth of June; the whole amount was not delivered to the insurance association on the same day.

Ques. Was the insurance association at that time under the necessity of borrowing such a large amount of money on account of its own affairs?

Ans. Its own affairs generally, or its affairs in the insurance line?

Ques. As to the insurance line.

Ans. The whole affair generally, including exchange operations; yes, sir.

189 Ques. Well, as to its affairs connected with its business as an insurance company, was it necessary to effect such a loan?

Ans. No, sir.

Ques. Had not the insurance association a large portfolio?

Ans. Yes, sir.

Ques. Of what was regarded as good paper, and that might have been discounted?

Ans. Well, there was considerable of it good paper, and considerable of depreciated paper, too.

Ques. Did you have paper upon which money could have been easily raised?

Ans. Yes, sir; but subsequently to that $61,000 of that paper passed into the hands of the New Orleans National Banking Association.

Ques. For what purpose?

Ans. For the assumed purpose of being a pledge to secure the re imbursement of 250,000 francs which the New Orleans Insurance Association sold to the New Orleans National Banking Association.

Ques. What other facts do you know in connection with that transaction?

Ans. That the drafts were never returned to the Insurance Association, and the pledge has always remained in the hands of the bank, so far. The insurance association has never received that pledge.

Ques. When was that pledge made?

Ans. That pledge was made, I think, on the 27th September, 1873.

Ques. Who were the drawers of these bills that you sold?

190 Ans. I was the drawer, as secretary of the New Orleans Insurance Association.

Ques. Which bills do you mean; the bills of exchange?

Ans. I was the drawer for the New Orleans Insurance Association.

Ques. Were they drawn against funds?

Ans. No, sir.

Ques. Drawn upon credit?

Ans. Upon credit.

Ques. Was there any agreement as to who was to protect the bills?

Ans. Not to my knowledge.

Ques. Who directed the bills to be drawn?

Ans. Mr. Cavaroc.

Ques. To whose order were they drawn—the bills you are speaking of?

Ans. These 250,000 francs, for which $61,000 security were given, were drawn to the order of Henry Blache, cashier.

Cross-examined by M'r Clarke:

Ques. The money received from this pledge that you speak of passed to the credit of the insurance association in the bank, ultimately; this loan of $309,000?

Ans. Yes, sir; that amount passed to the credit of the insurance association.

Ques. You say that the insurance association had no need of these funds; it was raised for the purpose of its paying insurance?

Ans. Yes, sir.

191 Ques. It was for the purpose of paying its obligations?

Ans. Yes, sir; their obligations other than that of insurance.

Ques. It had a large line of exchange which it had to provide for?

Ans. Yes, sir.

Ques. And that loan had been negotiated and the money received by the insurance association, and thereafter invested in various ways, was it not?

Ans. Yes, sir; the money had been received to pay for these bills drawn and used in the general course of business.

Ques. Was not the insurance association overdrawn in the banking association at the time of this loan of $309,000?

Ans. Yes, sir; they were overdrawn $169,000.

Re-examined by Mr. Rouse:

Ques. Was that the total debt of the insurance association to the banking association?

Ans. Yes, sir; that was the total debt of the insurance association..

Ques. Was that an actual liability, or did some portion of it come from checks drawn against your account and used by M'r Cavaroc in the bank for the purpose of swelling his account with the clearing-house?

Ans. Well, it was owing to checks drawn on the bank, but not to my knowledge to assist M'r Caravoc in passing through the clearing-house.

Ques. You do not know what disposition was made of that very large amount overdrawn?

192 Ans. It was in the ordinary course of the business of the association. It was drawn either as the net proceeds of the discount which we had made, notes which we had discounted and paid the amount over to the parties who had discounted the note into a check; or it was paid for the exchange bought to cover exchange operations, and to remit exchange to the credit of the agency account; and in one instance, I was going to add, there was a loan of $100,000 made to M'r Cavaroc.

Ques. During that summer?

Ans. During that summer.

By M'r Clarke:

Ques. Was this loan made by the insurance association to M'r Cavaroc?

Yes, sir; which was re-imbursed to the insurance association by M'r Cavaroc on the 27th June, 1873.

G. LANAUX.

Subscribed and sworn before me Dec. 23, 1874.

F. A. WOOLFLEY,
Examiner.

193 AMILCAR FORTIER, a witness produced and sworn for the complainant, deposes and says:

By M'r Rouse:

Ques. State whether you are president of any bank; and, if so, how long.

Ans. I have been president of the Bank of America since 1864 or 1865.

Ques. During the summer of 1873 was there any application made to you as such president by the New Orleans National Banking Association or its officers for money?

Ans. Yes, sir. I think I loaned some.

Ans. Do you remember what amount?

Ans. Sometimes $50,000, sometimes $25,000; I cannot say the exact amounts.

Ques. Was a list of their notes and bills discounted exhibited to you for the purpose of making a selection?

Ans. No, sir.

Ques. Were the bills and notes submitted to you for inspection?

Ans. No, sir; it was from day to day.

Ques. Did your loans occur frequently?

Ans. No, sir; now and then.

Ques. Did not your bank discount a portion of the portfolio of the New Orleans National Banking Association?

Ans. Yes, sir; in 1873 we discounted some paper of the bank, I believe some $50,000.

Ques. Was there not a list of paper submitted to you for selection, or the paper itself?

194 Ans. No, sir; the paper itself was brought there by M'r Cavaroc—when I make that remark, I don't know whether it was M'r Cavaroc or the bank, but it was brought there by M'r Cavaroc.

Ques. Was there not much more paper submitted and more money requested than that which you accepted?

Ans. No, sir; not to me.

Ques. Either on that occasion or on some other occasion?

Ans. No, sir; no paper was given to me.

Ques. I ask if there was not some submitted with the request to discount more paper?

Ans. Yes, sir.

Ques. Which you declined?

Ans. Yes, sir.

Ques. What was your reason for declining?

Ans. Because I thought that I made my proportion of it.

Ques. What do you mean by your proportion?

Ans. Because it was demanded from several of us.

Ques. The banking association was asking a discount from a number of banks?

Ans. It was called a discount or a temporary loan.

Ques. Is not that an unusual proceeding for a bank?

Ans. Not unusual when a bank feels pressed.

Ques. Prior to that time had an application been made to you for a discount by any bank?

Ans. No, sir.

Ques. Do you remember any?

Ans. Well, to the City National Bank we loaned over $100,000 when it was M'r Cochran's bank.

Ques. It failed, did it not?

Ans. No, sir; it prevented it from failing.

195 Ques. Unless a bank is in difficulty does it seek to discount its portfolio among other banks?

Ans. Not to my knowledge.

Ques. Do you know what the reputation of the New Orleans National Banking Association was in bank circles in 1873?

Ans. Well, before it stopped it had a pretty good reputation; its exchange was offered and was sold regularly.

Ques. Do you know what the rumors among banking-men were as to its solvency for the three months prior to its suspension?

Ans. It was then very good, three or four months prior.

Ques. I say, during the three months prior to its suspension, were there not many rumors concerning its solvency?

Ans. No, sir; not many.

Ques. Were you mostly in the city, or mostly across the lake during that time?

Ans. Mostly in the city; I went over the lake every Saturday night.

Ques. About what time did you make this discount of the notes?

Ans. I think it was some time in August or September of that year; no, sir; it was in July or August.

Ques. Did you think that the New Orleans Banking Association was in a good, solvent condition at the time you made that discount?

Ans. I thought that they were momentarily embarrassed, or I would not have made the loan.

Ques. Do you think they could have met their liabilities without making the loans you speak of?

196 Ans. I don't know.

Ques. Was not that discount of paper that you made on the 4th of June, 1873, or about that date?

Ans. I don't know; I have not the memorandum, but I know it was then or somewhere about that time.

Ques. Did you loan any money on the security of a mortgage made by the New Orleans Mutual Insurance Association?

Ans. No, sir; not to my knowledge.

Ques. Was there any application made to you for a loan on the mortgage of the insurance association?

Ans. No, sir.

Ques. A mortgage executed in favor of M'r Dupuy, of the State National Bank?

Ans. I do not think I ever made a loan of that kind.

Ques. Was any mortgage executed in his favor at the time that the banks made the loan to the insurance association?

Ans. I went in among them, I believe, and took a note out and discounted it, but I do not know for the rest.

Ques. Were you present at a meeting of bank presidents held in the rooms of the New Orleans National Banking Association on a Sunday?

Ans. I think not.

Ques. Or on any other occasion?

Ans. I was there when M'r Cavaroc made the application to us, with several other bank presidents.

Ques. Who else was present?

Ans. There were M'r Kennedy, M'r Oglesby, and myself.

Ques. What took place at that meeting?

Ans. M'r Cavaroc applied for a momentary discount.

197 Ques. What statement did he make as to his condition?

Ans. He said he was a little pressed, and that if the banks would come to help him for a few days, that is all that he required.

Cross-examined by M'r Clarke:

Ques. You speak of a loan to the City Bank; is not that the present Germania Bank?

Ans. Yes, sir.

Ques. That bank has never failed?

Ans. No, sir.

Ques. Does it imply, because a bank requires a temporary loan, that its condition is insolvent?

Ans. No, sir.

Ques. Is it not frequently the case that banks will get a little out of line from some cause or other that does not involve them; but they may be in want of a loan?

Ans. Yes, sir; perhaps they may have exchange to sell, but they cannot sell it, and they may have to borrow from a bank until the next day.

Ques. You know this to be of frequent occurrence?

Ans. Yes, sir.

Ques. The credit of this institution in 1873 was good?

Ans. I considered it so.

Ques. You bought their checks and exchange?

Ans. Yes, sir.

AM. FORTIER.

Subscribed and sworn before me December 23, 1874.

F. A. WOOLFLEY,
Examiner.

198 NEW ORLEANS, *December 26th*, 1874.

Testimony resumed.

PAUL FOURCHY, a witness produced and sworn, deposes and says:

By M'r Rouse:

Ques. You are president of the Mutual National Bank of New Orleans?

Ans. Yes, sir.

Ques. How long have you been so?

Ans. Three years, since its organization.

Ques. During the summer of 1873 was there any application made to the Mutual National Bank, or to yourself, by the president of the New Orleans National Banking Association for any loan of money, or a discount of paper?

A. Yes, sir.

Ques. State the whole transaction.

Ans. M'r Cavaroc called on me, and stated he needed about $100,000, and that he expected the different banks to come to his assistance and furnish that amount to him among themselves, to make up that amount. I was much surprised at this demand, considering the large amount asked, and told M'r Cavaroc I could not act without calling the board of directors together, until I would submit his statement to them, and see what action they would take on it. I called a meeting of the board the next morning, but in the mean time M'r Cavaroc gave me a list of $200,000 in paper—different names. The board met as called by myself, and took into consideration M'r Cavaroc's demand, and out of the $200,000 for discount, $25,000 of the paper was selected and discounted. That is all, as near as I can remember.

199 Ques. About what time was that?

Ans. Early in June, 1873; probably on the second or third, and the discount was made on the fourth of June.

Ques. Why did you take such a small amount of the large amount offered?

Ans. Well, some of the paper was objectionable to the bank.

Ques. Do you know what the reputation of the New Orleans National Banking Association was during the summer of 1873 for solvency?

Ans. Not exactly. I know that there were a great many rumors on the street about M'r Cavaroc being engaged in large cotton operations, but I know of no facts myself. I had no access to the books.

Ques. What were the rumors so far as they affected the banking association?

Ans. Well, it had that effect. Seeing a bank president engaged in large cotton operations, it might recoil upon the bank, and have some action upon him.

Ques. Were there any rumors about the banking association's being in a good or bad condition?

Ans. It was understood to be in a little straitened circumstances. I understood from outside parties that M'r Cavaroc had drawn a great deal of exchange and loaned the money to factors to bring their crops to market, and this was the cause of his anxiety; he drew large amounts, and when the maturity was about to come he did not make his collections in time; that this was the main cause of his embarrassment. That is all I heard.

(M'r Clarke, for defendants, objects to all of the above as hearsay.)

Ques. What effect had the rumors on the National Banking Association?

200 Ans. They affected it.

Ques. What motive actuated you in discounting a portion of its portfolio?

(M'r Clarke, for defendants, objects.)

Ans. Because we thought that if anything happened to this bank other banks might suffer; it would create a run, and we would be sufferers. It was understood among all the banks that if we could get security to that extent we would go; as long as we could help them without danger to ourselves, we would do it.

Ques. Were other applications made to you for assistance?

Ans. I do not exactly remember.

Cross-examined by M'r Clarke:

Ques. When were these rumors that you speak of?

Ans. About that time; about the time the application for the loan was made.

Ques. The idea was that the bank was under temporary embarrassments?

Ans. Yes, sir.

Ques. Was not the public sentiment afterwards satisfied by the bank, and these rumors dispelled?

Ans. Well, I think after he got the assistance it had that effect for a while. He told me that he had all the assistance that he wanted.

Ques. The bank had good credit in the community?

Ans. Well, it is difficult to say; the check would not be refused, but I could not say that it was exactly in good credit.

Ques. Were they selling exchange?

Ans. Yes, sir; that is, I heard they were. I do not know.

201 Ques. Did you not consider this $25,000 equal to the share of the assistance rendered?

Ans. No, sir. I think our share would be a little more; but the board would not take more than $25,000 out of it. We might have taken $40,000 or $45,000.

Ques. How was the paper that was offered to you?

Ans. Well, it was objectionable; as a matter of prudence, we did not like it.

Ques. Some paper you had already of the same name?

Ans. No, sir; very littte, if any. We had not the same customers at all.

Ques. Are you president also of the Merchants' Mutual Insurance Company?

Ans. Yes, sir.

P. FOURCHY.

Subscribed and sworn before me December 26, 1874.

F. A. WOOLFLEY,
Examiner.

202 E. H. **Reynes**, a witness produced and sworn, deposes and says, for the complainant—

By M'r Rouse:

Ques. What is your business?

Ans. An exchange broker now.

Ques. What was your business in the summer of 1873?

Ans. A banker, and agent of Eugene Kelly & Co., bankers, of New York.

Ques. Do you know what the general reputation of the New Orleans

National Banking Association was as to solvency during the summer of 1873?

Ans. What time in the summer?

Ques. Any time during the summer.

Ans. From the beginning of the summer up to July and August, perhaps, the general impression was that its credit was very good.

Ques. Was that impression changed?

Ans. Yes, sir.

Ques. What was the impression afterwards?

Ans. The impression afterwards was that the credit of the bank had been impaired from severe losses, which losses I could not point to, as I have not the books.

Ques. These rumors were general affecting its credit?

Ans. To the best of my knowledge they were; I heard them frequently.

Ques. Do you know anything about the course of its stock in the market?

Ans. No, sir; I was not dealing in the market.

Ques. Were you called upon to render assistance to the banking association in the way of raising funds?

Ans. Early in June I was.

203 Ques. Was there any statement made to you then of its difficulties?

Ans. No, sir.

Ques. What reason was given for its desire to raise funds?

Ans. None at all. They wanted to help their customers during the summer; that was what M'r Cavaroc said to me. He generally did it every summer, and borrowed largely so as to help the planters removing their crop. I anticipated no idea of it at the time nor anybody else.

Ques. That was early in the summer?

Ans. Yes, sir.

Ques. And later, you say that rumors affecting the credit of the banking association were very general?

Ans. Yes, sir.

Cross-examined by M'r Clarke:

Ques. What time did these rumors commence?

Ans. I cannot precisely state the day; late in the summer; the latter part of July or August.

Ques. Prior to the general suspension of the banks in September?

Ans. Yes, sir; but no one thought the banking association would suspend; I will say that. I never heard it expressed, and thought so myself. The rumor was that the bank was embarrassed.

Ques. Was that regarded as a temporary embarrassment?

Ans. Yes, sir; it was generally thought so, and it was so expressed to me by bank presidents.

E. H. REYNES.

Subscribed and sworn before me Dec. 26th, 1874.

F. A. WOOLFLEY,
Examiner.

204 THOMAS JANNEY, a witness produced and sworn on behalf of complainant, deposes and says:

By M'r Rouse:

Ques. You are a member of the firm of Moore, Janney & Hyams?

Ans. Yes, sir.

Ques. And your business is?

Ans. A brokerage business.

Ques. How long have you been engaged in that business?

Ans. Ten years.

Ques. Do you know what the general reputation of the New Orleans National Banking Association was for solvency in the summer of 1873?

Ans. It was bad.

Ques. When did the rumors affecting its credit first become rife?

Ans. I went away from here to the North in May previous to its failure, and during my absence these rumors first became prominent, so much so that I got a dispatch from my firm stating that the banking association was broken. I got the dispatch in the office of John Macauley & Co.

Ques. Did these rumors continue during the summer of 1873?

Ans. Never ceased until the bank broke. It never recovered.

Ques. When did you return?

Ans. I got here in June.

Ques. What was the course of its stock in the market?

Ans. Decreased all the time. The reason I know is that I had some of Mehle's stock.

205 Ques. Did you try and sell any of the stock of the New Orleans National Banking Association during the summer?

Ans. Yes, sir; I tried to sell it immediately, but I could not.

Ques. You could not find purchasers?

Ans. No, sir.

Ques. What was its value?

Ans. The par value was $30.

Ques. Do you know anything about the New Orleans National Banking Association calling on the other banks for assistance during the summer?

Ans. Yes, sir; they called upon them, and the head was the Louisiana National. They said they wanted $300,000 to get them through; they had some trouble in getting it, but at last succeeded in getting it by a mortgage on their property.

Ques. Was that generally known by business men?

Ans. Yes, sir; it was. I can tell you a man that knows all about it, that is, Henry C. Miller, of the firm of Lee, Finney & Miller.

Cross-examined by M'r Clarke:

Ques. What was the mortgage?

Ans. I don't know the amount.

Ques. By whom was it given?

Ans. By M'r Cavaroc.

Ques. Was it not given by the New Orleans Insurance Association?

Ans. That I don't know.

Ques. Were the rumors affecting the banking association risen out of its entanglements with the insurance association?

206 Ans. The rumors arose from the bad management of M'r Cavaroc; that is, that it was that he was losing money.

Ques. It arose out of the credit of M'r Cavaroc himself?

Ans. Well, it was the bank; for I had business transactions with the bank in the slaughter-house matter—very large ones.

THO'S JANNEY.

Subscribed and sworn before me December 26th, 1874.

F. A. WOOLFLEY,
Examiner.

GUSTAVE BLACHE, a witness produced and sworn on behalf of complainant, deposes and says:

By M'r Rouse:

Ques. What is your occupation?

Ans. A broker.

Ques. A stock-broker?

Ans. Yes, sir.

Ques. During the summer of 1873 did you have any of the stock of the New Orleans National Banking Association for sale?

Ans. Yes, sir; I sold several lots.

Ques. Did you have any difficulty in selling it?

Ans. Well, the stock of that bank sometime before the failure was pretty hard to sell.

Ques. What was the reputation of the banking association as to its condition?

Ans. Well, the banking association was considered to be in a very weak condition.

Ques. Was there a pressure to sell the stock?

Ans. All holders were willing to sell.

207 Ques. At what price did you effect any sales during that summer?

Ans. As far as I can recollect I sold some stock at from $19 to $20.

Ques. How long before the failure?

Ans. May be two, or three, or four months before the failure.

Ques. Was there any sudden decline in the stock from higher prices?

Ans. Well, the stock had been declining for the last four or five months—constantly declining.

Ques. What figures had it been selling at before this decline set in?

Ans. Well, I suppose the figures began to decline from about $30 down.

Ques. During that summer?

Ans. Yes, sir, as far as I can recollect; I could see from my books, but that is my recollection.

Cross-examined by M'r Clarke:

Ques. What was the par value of the stock?

Ans. $30.

Ques. When was the decline?

Ans. The decline must have begun five or six months before the failure of the bank at least.

Ques. How long did you sell the stock?

Ans. I expect I sold the stock two or three months before the failure, and I sold some at $19 and $20.

G. BLACHE.

Subscribed and sworn before me December 26th, 1874.

F. A. WOOLFLEY,
Examiner.

208 F. F. CASE, a witness produced and sworn on behalf of complainant, deposes and says:

Ques. You are receiver of the First National and Crescent City National Banks, of New Orleans?

Ans. Yes, sir.

Ques. Prior to being receiver you were in the employ of the receiver, who was your predecessor, for a number of years, were you not?

Ans. Yes, sir.

Ques. During the summer of 1873, do you know what the general reputation of the New Orleans National Banking Association was, as to solvency?

Ans. Well, it was rumored to be in a very bad way.

Cross-examined by M'r Clarke:

Ques. What do you mean by that?

Ans. That it was in an insolvent condition, or about to become so.

F. F. CASE.

Subscribed and sworn before me December 26th, 1874.

F. A. WOOLFLEY,
Examiner.

209 **Albert Baldwin**, a witness produced and sworn on behalf of the complainant, deposes and says:

Ques. You are the president of the New Orleans National Bank?

Ans. Yes, sir.

Ques. During the summer of 1873, were you an officer of the Mutual National Bank?

Ans. Yes, sir; vice-president.

Ques. Do you know anything about an application being made for assistance to that bank by the president of the New Orleans National Banking Association?

Ans. I know that it came from M'r Cavaroc or the New Orleans National Banking Association, and he had some assistance granted him.

Ques. Do you know anything of the statement of its condition about that time?

Ans. Only from general rumors.

Ques. What was the general rumor as to the condition of that bank, the New Orleans National Banking Association?

Ans. The general rumor was that it was very weak and liable to suspend at any time.

Ques. Do you know what time this application was made?

Ans. I think it was three months before they suspended.

Ques. And the rumors prevailed from what time?

Ans. Well, say three months, but I think longer than that.

Cross-examined by M'r Clarke:

Ques. To what were these rumors attributable—what was the occasion?

210, 211 Ans. Well, the fact of this application was one indication of weakness, in two ways: one bank asking assistance from another.

Ques. Is that all?

Ans. The fluctuations of the stock, also; it being so much below par

Ques. Suppose that they had met losses, did you know anything of them?

Ans. Yes, sir; I understand there was one failure in which they lost largely. When a bank is disposed to lend largely, and has no good security, it shows that they do not do business regularly.

A. BALDWIN.

Subscribed and sworn before me December 26th, 1874.

F. A. WOOLFLEY,
Examiner.

Examination adjourned to December 29th, at 11 o'clock a. m.

212 Testimony resumed.

W. R. LYMAN, a witness produced and sworn for the complainant, deposes and says:

By M'r Rouse:

Ques. What business are you engaged in ?

Ans. Banking and brokerage.

Ques. How long have you been so engaged ?

Ans. Ten years.

Ques. In the city of New Orleans ?

Ans. Yes, sir.

Ques. Were you here during the summer of 1873 ?

Ans. Yes, sir.

Ques. Do you know what the general reputation of the New Orleans National Banking Association was during that summer for solvency ?

Ans. Its general reputation was weakness. It varied according to the rumor one way or another, but the general tenor, if you desire it, was weakness.

Ques. What were the rumors affecting it ?

Ans. The first rumor, I think, which seriously affected the stock, I remember now was the failure of Cambon and some of the large dealers down town, and the rumors were that it very seriously affected its portfolio, so much so that at one time it was said that they could not get through.

Ques. When were these rumors most prominent; how long before its failure ?

Ans. Well, I am compelled to guide myself by my records as to the stock, the price of the stock.

Ques. What was the course of the stock during the summer of 1873 ?

213 Ans. By my books I see that on the 8th March, 1873, the stock sold for \$31¼; on the 2d May it sold for \$25; and on July 9, at \$17¾; and, if I recollect properly, in the latter part of June it sold as low as \$16. Of that I am not certain. I have no data to guide me, and I cannot testify accurately; but it was below that on July 9th.

On the 6th August I bought for a party sixty-five shares of the stock at \$20. There was a little rumor bettering the stock; that is, it was not so bad as it was represented; that the portfolio was better, etc. The stock under that impulse went up to about \$20. But to give you an idea later than that, I bought that stock under order, and the party did not come to me that day or the next, and when I saw him again he told me he gave the order to some one else. In the mean time I bought the stock, and it was thrown back on my hands, and I never could dispose of it afterwards. It now stands on the books of the New Orleans Banking Association in the name of Townsend & Lyman. I might perhaps have, during the month of August, sold it at considerable loss, but, after the panic struck us in September, it was impossible. You could hardly have given it away.

W. R. LYMAN.

Subscribed and sworn before me December 29th, 1874.

F. A. WOOLFLEY.

Examiner.

M. F. Bonis, a witness produced and sworn on behalf of complainant, deposes and says:

By M'r Rouse:

Ques. What is your occupation?

Ans. A broker.

Ques. For how long?

214 Ans. I have been a broker on my own account for two years.

Ques. Engaged in the city of New Orleans?

Ans. Yes, sir; as note, stock, and exchange broker.

Ques. Do you know anything about the reputation of the New Orleans National Banking Association, generally called Cavaroc's Bank, for solvency during the summer of 1873?

Ans. Yes, sir; it was going down all the time; it was losing credit.

Ques. Were these rumors general?

Ans. Well, not general.

Ques. Did you sell any of the stock or make any effort to sell it prior to three months before its failure?

Ans. Yes, sir; but the offers were so very low that I could not sell any of it.

Ques. Were the rumors that you speak of general in business circles—among financial men and brokers?

Ans. Well, I was rather friendly with M'r Cavaroc. I heard several times that the bank was going to fail and for no one to keep their money there, and I was advised several times before that to keep my account from it; but knowing the whole of the directors personally and M'r Cavaroc, I kept on keeping a small account, but I was advised by several parties not to keep any money there at all.

Ques. You only kept a very small account during that summer?

Ans. That is all; in fact I do not do a very large business.

Cross-examined by M'r Clarke:

Ques. When did these rumors commence?

215 Ans. I suppose four or five months previous to the failure of the bank. There was talk about the bank being very much embarrassed.

Ques. When were these conversations with your friends suggesting you to withdraw?

Ans. Three or four months, I suppose, previous to the failure of the bank.

Ques. Did you sell any of the stock?

Ans. No, sir; not from that time.

Ques. What was offered for it?

Ans. Well, I had stock for sale for one party in Europe. It cost him $42, and I was trying to sell it for from $25 to $30, and I could not. Then it went down rapidly to $19, and after that it could not be sold at all.

Ques. When was this low point reached?

Ans. Well, I suppose thirty or forty days before the failure of the bank; but before that there was hardly any sale for it and hardly any bid.

M. F. BONIS.

Subscribed and sworn before me December 29th, 1874.

F. A. WOOLFLEY,
Examiner.

216 EUGENE F. MIOTON, a witness produced and sworn on behalf of the complainant, deposes and says:

By M'r Rouse:

Ques. Were you a director of the New Orleans National Banking Association?

Ans. I was.

Ques. For how long?

Ans. From the moment that M'r Cavaroc took the bank up to its failure.

Ques. That was a period of several years?

Ans. Yes, sir; it was when the bank was on the corner of S't Charles street.

Ques. Who had the management of its affairs?

Ans. M'r Cavaroc.

Ques. Did the board of directors surrender almost its entire management to him?

Ans. Not entire, but almost entire.

Ques. Did he keep you advised of all its losses and calamities?

Ans. No, sir; not to me.

Ques. Or to the board of directors when you were present?

Ans. No, sir.

Ques. What knowledge had the board of his management?

Ans. I do not know what knowledge the board had, but, for myself, three days before the failure of the bank I never knew that the bank was in such a position.

Ques. Were you ever on a committee to examine its condition?

Ans. No, sir.

Ques. Did you know of the existence of the overdraft of P. S. Wiltz & Co.?

217 Ans. No, sir.

Ques. One of the directors, he was?

Ans. No, sir; I did not.

Ques. Or the overdraft of A. A. Mouton, another director?

Ans. I did not know the amount. I knew he was overdrawn, but I did not known the amount.

Ques. Was the paper offered for discount submitted to the board of directors before being discounted?

Ans. Some was and some was not.

Ques. What was the general rule?

Ans. M'r Cavaroc had the power to discount notes before putting them before the board.

Ques. Was that his custom?

Ans. Yes, sir.

E. F. MIOTON.

Subscribed and sworn before me December 31st, 1874.

F. A. WOOLFLEY,
Examiner.

218 EXHIBIT BLACHE 1.

Names.	Maturity.	Amount.	Remarks.
E. F. Mioton	Nov. 28	$1,500 00	Secured by two shares bonded warehouse.
R. Villarubia	Oct. 30	3,000 00	Curtailed $1,000.
H. F. Given & Co	Nov. 3	3,131 09	Secured by mortgage note $5,000. Protested.
A. A. Mouton	Oct. 24	4,126 25	Curtailed $1,031.56 and renewed.
F. B. Fleitas	Oct. 27	5,000 00	Secured by note $5,000, curtailed $500 and renewed at 40 days.
A. Duplaquier	Oct. 29	10,000 00	Curtailed $1,000, renewed at 40 days.
R. Dumestre	Nov. 7	726 60	Curtailed $226.60, renewed at 30 days.
R. Villarubia	Nov. 8	757 15	Protested.
H. F. Given & Co	Nov. 20	11,476 88	Secured by three mortgage notes for $13,000.
Allen, Poole & Co	Nov. 22	10,000 00	
E. F. Mioton	Nov. 21	800 00	Secured by five shares Bank of America.
B. Lemann	Dec. 18	11,250 00	These four notes are secured by a series of mortgage notes as collaterals.
Jacob Lemann	Dec. 4	11,250 00	
Jacob Lemann	Jan. 13	11,250 00	
Jacob Lemann	Jan. 23	11,250 00	
Durand, Bernard & Co	Dec. 15	409 23	
Lapene & Ferré	Jan. 18	2,292 36	
Tho's Lyons & others	Feb. 4	4,368 06	Both are mortgage notes maturing respectively in 1874 and 1875.
Tho's Lyons & others	Feb. 4	4,104 86	
E. F. Mioton	Dec. 7	5,000 00	Both mortgage notes.
E. F. Mioton	Dec. 7	9,985 00	
E. Dechamps	Oct. 14	2,254 28	Paid in full.
Geo. W. Manson	Nov. 4	982 75	Curtailed $250, renewed at 30 days.
Ben Gersen	Dec. 6	267 60	
E. M. Scott	Dec. 4	2,500 00	Secured by mortgage note $5,000.
J. Aldigé	Jan. 4	6,000 00	
F. A. Luling	Dec. 18	9,072 16	Secured by 60 shares N. O. M. Ins. Ass. and 110 shares La. Ice Man. Co.
A. Richoux	Dec. 4	200 00	
L. Basset, estate of	Demand note.	7,000 00	Secured by 150 shares bonded warehouse, curtailed $600.
Golsen Bro's	Oct. 14	128 15	Paid in full.
Fifty-two (52) shares N. O. Gas Light Co.			
E. F. Mioton	Oct. 18	800 00	Secured by 12 shares Hope Ins. Co., curtailed $200, renewed at 60 days.
V. B. Fleitas	Past due.	3,000 00	
P. S. Wiltz & Co	Nov. 17	1,000 00	
H. E. Shropshire	Dec. 21	1,770 38	
E. M. Scott	Dec. 18	6,000 00	Secured by one mortgage note $6,000, and one note due January 1st for $700.
		162,652 80	

219 RECAPITULATION PAYMENTS RECEIVED.

Oct. 14.	$2,254 28	in full E. Dechamp's note.
Oct. 14.	128 15	in full Golsen Bro's.
Oct. 18.	200 00	on account E. F. Mioton's note, $800; note $600, renewed at 60 days.
Oct. 24.	1,031 56	on account A. A. Mouton's note $4,126.25, renewed in two notes each for $1,547.35 at 40 days and 60 days, respectively.
Oct. 27.	500 00	on account F. B. Fleitas' note $5,000, renewed $4,500 at 40 days.
Oct. 29.	1,000 00	on account A. Dupaquier's note $10,000, renewed $9,000 at 40 days.
Oct. 30.	600 00	on account L. Basset's note $7,000.
	189 78	122 days accrued interest on above.
Oct. 30.	200 00	on account R. Villarubia's note $3,000, renewed $2,900 at 30 days.
Nov. 4.	250 00	on account G. W. Manson $982,75, renewed $738.32 at 30 days.
Nov. 7.	226 60	on account R. Dumestre's note $725,60 renewed $500 at 30 days.
	$6,480 37	

E. & O. E. E. H. REYNES & BRO.

NEW ORLEANS, *Nov.* 15, 1873.

220 EXHIBIT BLACHE 2.

N. O. NAT. BANKING ASSOCIATION,
New Orleans, June 5, 1873.

REGULAR MEETING.

Present, Mess'rs C. Cavaroc, president; E. F. Mioton, A. Tertrou, L. Haas, j'r, C. De Ruyter, John Rocchi.

Minutes of last meeting read and approved.

Daily balances, discounts made, and exchange purchased read and approved, and the board adjourned.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, June 12, 1873.

REGULAR MEETING.

Present, Mess'rs C. Cavaroc, president; E. F. Mioton, A. Tertrou, J. Aldigé, John Rocchi.

Minutes of last meeting read and approved.

Daily balances, discounts made, and exchange purchased read and approved, and the board adjourned.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, June 19, 1873.

REGULAR MEETING.

Present, Mess'rs C. Cavaroc, president; E. F. Mioton, J. Aldigé, A. Tertrou.

No quorum.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

221, 222 N. O. NAT. BANKING ASSOCIATION,
New Orleans, June 26, 1873.

REGULAR MEETING.

Present, Mess'rs C. Cavaroc, president; Charles De Ruyter, A. A. Mouton, P. S. Wiltz, A. Tertrou, John Rocchi, J. Aldidgé.

On motion, the following resolution was unanimously adopted;

That the president be, and is hereby, authorized to sell the property owned jointly with the Mechanics and Traders' Bank of this city, which said property, consisting of a certain square of ground in the third district of New Orleans, and designated as square No. 20, bounded by Broad, White, Onzaga, and Lapeyrouse streets, was acquired September 23, 1871, at sheriff's sale, in the case of the Bank of New Orleans vs. G. G. Gordin.

There being no other business, the board adjourned.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, July 10, 1873.

REGULAR MEETING.

Present, Mess'rs C. Cavaroc, president; J. Aldigé, A. Tertrou, Charles De Ruyter, John Rocchi.

Minutes of last meeting read and approved.

The president having stated the necessity of reducing the expenses of the bank, on motion it was—

Resolved, That from and after the 1st of August proximo the salaries of officers of the bank will be as follows:

President	$7,200	Ind'v'l book-keepers	$2,000
Cashier	3,500	Note and dis't clerk	2,000
223 Paying-teller	3,000	General assistant	1,500
General book-keeper	3,000	Runner	1,500
Receiv'g tellers, (each)	2,000	Second assistant	1,200
Ass. ex. cl'k & porter	1,500	Watchman	1,200

Making a reduction of $8,200 per annum.

There being no other business, the board adjourned.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, July 17, 1873.

REGULAR MEETING.

Present, C. Cavaroc, president; A. Tertrou, C. De Ruyter. No quorum.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, July 24, 1873.

REGULAR MEETING.

Present, C. Cavaroc, president; C. De Ruyter, John Rocchi. No quorum.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, July 31, 1873.

REGULAR MEETING.

Present, C. Cavaroc, pres't; J. Aldigé, A. Tertrou.
No quorum.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

224 N. O. NAT. BANKING ASSOCIATION,
New Orleans, August 7, 1873.

REGULAR MEETING.

Present, C. Cavaroc, president; A. Tertrou, John Rocchi.
No quorum.
(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, August 14, 1873.

REGULAR MEETING.

Present, C. Cavaroe, president; A. Tertrou, J. Aldigé.
No quorum.
(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, August 21, 1873.

REGULAR MEETING.

Present, C. Cavaroe, president; A. Tertrou.
No quorum.
(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, August 28, 1873.

REGULAR MEETING.

Present, C. Cavaroc, president; J. Aldigé.
No quorum.
(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

225 N. O. NAT. BANKING ASSOCIATION,
New Orleans, September 4, 1873.

REGULAR MEETING.

Present, C. Cavaroe, president; A. Tertou.
No quorum.
(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, September 11, 1873.

REGULAR MEETING.

Present, C. Cavaroe, John Rocchi, A. Tertron.
No quorum.
(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, September 19, 1873.

N Quorum

REGULAR MEETING.

Present, C. Cavoroc, president; John Rocchi, J. Aldigé, A. Tertrou, L. Haas, j'r, A. A. Mouton.

Reading of minutes of last meeting dispensed with. Daily balances, discounts made, and exchange purchased read and approved.

On motion of M'r Tertrou, seconded by M'r Rocchi, it was unanimously

Resolved, That the board, appreciating the valuable services of C. Cavaroc, j'r, in behalf of the bank in New York and in Europe during his recent voyage, hereby express their gratitude, and move that a committee of three be appointed to offer to C. Cavaroc, j'r, the thanks of this institution.

226 Mess'rs Tertrou, Aldigé, and Rocchi were appointed on that committee.

On motion of M'r Aldigé, it is further

Resolved, That a sum of five hundred dollars be offered to M'r C. Cavaroc, j'r, not as a compensation for his services, but merely to defray the expenses that were actually incurred by him.

The president having stated that the bank had obtained, through the combined influence of M'r Le Marchand and C. Cavaroc, j'r, a loan of one million francs from the Crédit Mobilier of Paris, and that he considered a commission due to the former, the board authorized him to allow to M'r Le Marchand what he deemed proper in the case.

There being no other business, the board then adjourned.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, September 20, 1873.

CALLED MEETING.

Present, C. Cavaroc, president; A. Tertrou, J. Aldigé, John Rocchi, A. A. Mouton, P. S. Wiltz, L. Haas, j'r.

The president stated that the object of the meeting was to inform the board of the unpleasant state of affairs in general, and particularly of the panic actually prevailing in New York. The suspension of Jay Cooke & Co., which was already announced, and which, no doubt, would be followed by many others, would surely tend to increase the present uneasiness, and render our money-market still more stringent.

227 He would, therefore, ask the board to suggest or adopt such measures as, in their judgment, they would think expedient to avert the impending crisis.

Whereupon it was unanimously

Resolved, That all precautionary measures to be taken be left entirely to the discretion of the president, the board having ratified all that might be done by him.

It was further

Resolved, That in view of securing the president against any eventual loss of the 7 per cent. city of New Orleans bonds belonging to the firm of C. Cavaroc & Son and actually pledged to Mess'rs F. Schuchardt & Sons, agents of the bank at New York, as collateral security for the payment of all foreign exchange bills entrusted to their care for negotiation and by them endorsed, that he be, and is hereby, authorized to select, as guarantee, from the portfolio of the bank such papers as he may think proper, to the extent of one hundred thousand dollars.

On motion, it is further

Resolved, That the board hereby tender their thanks to the president for the aid he is individually lending by leaving undisturbed a large cash balence of eighty thousand dollars actually standing to the credit of C. Cavaroc & Son on the books of the bank.

And the board adjourned.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

228 N. O. NAT. BANKING ASSOCIATION,
New Orleans, Sept. 25, 1873.

REGULAR MEETING.

Present, C. Cavaroc, president ; J. Aldigé, L. Haas, j'r.

No quorum.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, Oct. 1, 1873.

SPECIAL MEETING.

Present, C. Cavaroc, president ; J. Aldigé, A. Tertrou, John Rocchi, A. A. Mouton, E. F. Mioton.

The president reported to the board that the balance due by this association at the clearing-house this morning was $37,169.11, which it was necessary to make good and provide for ; that the firm of C. Cavaroc & Son, for the purpose of aiding and relieving the association, offered to furnish it with certain available securities and with the requisite cash, provided they should be indemnified by the transfer of like securities of the association not now available on this market ; that the said firm, upon their offer being accepted by the president, at once placed at the disposition of the association the following assets, to wit:

(30) Thirty bonds of $1,000 each, city 7 per cent. gold bearing interest, at $62, worth	$18, 600
(2) Two bonds of $1,000 each, and (1) one bond of $500 of the N. O. Live Stock Landing & Slaughter House Co., at $75, worth	1, 875
One bill of exchange on F. Schuchardt & Sons, New York	10, 000
Total value	$30, 475

229 which they agreed to sell to the association for the above price of valuation, payable in bonds belonging to the association now in Bordeaux, France, or in transit therefrom.

The president having accepted the offer so made, took possession of the said bonds and exchange, purchasing the same at the valuation above stated, and at once deposited the same with the clearing-house to make good therein the balance against the association. The president having agreed to sell and transfer to the said firm of C. Cavaroc & Son, in payment of the above, 42 old consolidated city 6 per cent. bonds of $1,000 each, worth this day on the market 72½ each, say the sum of $30,459, which said bonds were lately deposited with Seignouret Frères of Bordeaux, and are now either in their hands or in transit to this place, being bonds of series A, with coupons of January and July, numbered 3337–3341, 5086, 5159, 5168–5177, 5194–5203, 5224–5230, 5247, 5251–5255, 5257, 5258, did close the sale of these bonds to C. Cavaroc & Son on these terms, and promised to make a conveyance of the same in due form to the said firm of C. Cavaroc & Son, subject to the ratification of the board. Whereupon the board, taking into consideration the above report of the president, is was

Resolved, That the action of the president in obtaining and purchasing from the firm of C. Cavaroc & Son the city and slaughter-house bonds, and the exchange stated, and in selling to the said firm for the price thereof forty-two bonds numbered as above, now in transit as above specified, be, and the same is hereby, ratified and confirmed; and that the president and cashier be, and they are hereby, authorized and empowered to make out to the said C. Cavaroc & Son all proper
230 and necessary transfers and conveyances of the said bonds to
them sold, as aforesaid, in full ownership, and to put them in immediate possession of the same.

And the board considering the present stringency in the money-market and the possible recurrence of the balance of exchanges at the clearing-house being against this association, it was

Resolved, That the president be, and is hereby, authorized and empowered, in order to cover and settle any such balance or balances, to purchase, from time to time, from the said firm of C. Cavaroc & Son, or from any other firm who shall offer the same, such available securities as shall or may be necessary for the purpose, at the market price thereof, and to sell, deliver, and transfer to the vendors thereof so many of the old consolidated city 6 per cent. bonds, belonging to this association, now in the hands of Seignouret Frères of Bordeaux, or in transit, at the market value thereof, in payment of the same, and to make to said parties all necessary conveyances therefor.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, October 2, 1873.

REGULAR MEETING.

Present, C. Cavaroc, president; J. Aldigé.
No quorum.

(Signed) C. CAVAROC, *President.*
HENRY BLACHE, *Cashier.*

231 N. O. NAT. BANKING ASSOCIATION,
New Orleans, October 2, 1873.

SPECIAL MEETING.

Present, C. Cavaroc, president; J. Aldigé, A. Tertrou, Jno. Roc'hi, A. A. Mouton, E. F. Mioton.

The president stated that, in virtue of the resolution adopted at the meeting of the 1st inst., he had provided for part payment of the clearing-house balance against the bank in this morning's exchanges, by procuring securities to the extent of $20,000, belonging to C. Cavaroc & Son, against an equal amount of clearing-house certificates.

Whereupon it was resolved, That the board hereby ratifies and confirms the sale to C. Cavaroc & Son of 28 city of New Orleans old consolidated bonds, numbered 5634–5661, at the stipulated price of 72½, equal to $20,300, giving to the president and cashier full power to convey said bonds in due form to the said C. Cavaroc & Son in payment of the above securities, for the difference against them the said C. Cavaroc & Son giving their check for $300.

There being no other business, the board adjourned.

(Signed) C. CAVAROC, *President.*

HENRY BLACHE, *Cashier.*

N. O. NAT. BANKING ASSOCIATION,
New Orleans, October 3, 1873.

SPECIAL MEETING.

Present, C. Cavaroc, president; J. Aldigé, A. Tertrou, John Rocchi, A. A. Mouton, E. F. Mioton.

The president having reported that, in virtue of the resolution
232 adopted at the meeting of the 1st inst., he had provided for a
portion of the clearing-house balance against the bank on the 1st
inst., by prosuring from the New Orleans Mutual Insurance Association the following assets, viz:

10 bonds ($1,000 each) Mechanics' and Agricultural Fair Association, $50, worth	$5,000
11 bonds ($1,000 each) Live Stock and Slaughter House Co., $74, worth 7 bonds ($500 each) Live Stock Landing and Slaughter House Co., $75, worth	10,875
Altogether	$15,875

And that, in virtue of the same resolution, he had further provided for part payment of the clearing-house balance against the bank in the exchanges of this morning, by procuring from Mess'rs C. Cavaroc & Son the following assets, charged to bills receivable on the books of the bank, viz:

Gold-note of Webster & Co., due 10–13 Nov	$1,521 35
" " Jno. I. Adams & Co., due 8–11 Nov	2,250 00
" " Flash, Lewis & Co., due 25–28 Nov	5,738 8
	$9,510 18
Taken by clearing-house at 10¾ premium	974 79
Equal to	$10,484 97

It is resolved, That the board hereby ratifies and confirms, in payment of the above-described securities, the sale to the New Orleans Mutual Insurance Association of 22 of the old consolidated city of New Orleans 6 per cent. bonds of the value of $1,000 each, series A, coupons
of January and July, actually in the hands of Seignouret Frères,
233 of Bordeaux, or in transit to this place, numbered 5662–5680, 5360,
5392, 5538, at the stipulated price of 72½, equal to $15,950, leaving
a difference of $75, settled by check of the insurance association, and to

the said firm of C. Cavaroc & Son, (15) fifteen of the old consolidated city of New Orleans 6 per cent. bonds, of the value of $1,000 each, series A, coupons of January and July, numbered 5524–5544, 5815, 5869, 5877–79, 1711–1713, 840, 1911, 4568, 4769, at the stipulated price of 72½, equal to $10,875, leaving a difference of $390.03, settled by check of C. Cavaroc & Son.

It is further resolved, That the president and cashier be, and are hereby, authorized and empowered to convey in due form to the said New Orleans Mutual Insurance Association, and to the said C. Cavaroc & Son, the above-described bonds in full ownership from this day.

And the board adjourned.

(Signed) C. CAVAROC, *President*.
HENRY BLACHE, *Cashier*.

N. O. NAT. BANKING ASSOCIATION,
New Orleans, *October* 4, 1873.

SPECIAL MEETING.

Present, C. Cavaroc, president; Jno. Rocchi, J. Aldigé, E. F. Mioton, A. Tertrou, A. A. Mouton.

On motion, it is

Resolved, That in view of the condition of the affairs of this association and of its eventual immediate suspension, a committee of two members of this board, to whom shall be adjoined the cashier, be appointed for the
purpose of repairing to Washington and conferring with the Comp-
234 troller of the Currency, and making with him such arrangements
as shall be necessary in order to place the receivership and liquidation of this association in the hands of the board of directors and of its stockholders, and that said committee shall have full power to take such steps, and to make any other and further arrangements with the Comptroller of the Currency, as they shall deem advisable in the interest of this association.

Resolved further, That Mess'rs Eugene F. Mioton and Jules Aldigé, of this board, be appointed members of this committee.

And the board adjourned.

(Signed) C. CAVAROC, *President*.
HENRY BLACHE, *Cashier*.

235 EXHIBIT BLACHE 3.

TUESDAY MORNING, *April* 1, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 25
Circulation		300,000 00
Madison-street property		482 79
Interest account	$12,506 61	
Discount account	23,209 51	
Gold discount account	339 92	
Profit and loss	1,264 45	
		37,320 49
Seignouret Frères, Bordeaux, loan account		450,000 00
Seignouret Frères, Bordeaux, account S	433,257 34	
London Joint-Stock Bank, London	345 40	
Perier Frères & Co	4,788 17	
		438,390 91

E. H. Reynes & Bro., S. A		145,000 00
Special deposits, 4 per cent		3,450 00
Dividends		6,598 80
Individual depositors	823,344 99	
Due to banks and bankers	33 83	
		823,378 82
Due to F. Schuchardt & Sons		525,297 49
		$3,404,080 65

D'R. RESOURCES.

Notes and bills discounted	$1,427,856 25	
Gold-notes and bills dis	12,667 90	
Bills receivable	16,758 69	
Notes and bills dis. and sus. paper, old portfolio	68,365 16	
Suspense account	67,301 95	
		1,592,949 95
236 U. S. 5 per cent. new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	35,702 57	
		638,287 93
United States taxes	4,663 27	
Furniture and fixtures	6,000 00	
Contingent expenses	14,921 80	
Law charges	10,883 11	
Protest account	327 78	
Exchange account	1,449 49	
Premium account	42,795 94	
Gold account	1,350 30	
		82,391 69
Cash, legal-tender notes	83,310 00	
Cash, fractional currency	8,838 04	
Cash, specie	8,862 26	
Cash, bills on other national banks	16,390 00	
Cash, checks on local banks	202,452 34	
		319,852 64
Seignouret Frères, Bordeaux	346,174 95	
C. J. Hambro & Son	59,017 18	
Crédit Suisse	111,229 37	
Fould & Co., Paris	65,070 10	
A. Dutfoy & Co., Paris	74,260 59	
Seignouret Frères, account K and M	10,767 93	
		666,520 12
Due from National Park Bank		35,277 51
Due from F. Schuchardt & Sons, gold account		630 53
Due from banks and bankers		68,170 28
		$3,404,080 65

237 THURSDAY MORNING, *May* 1, 1873.

LIABILITIES. C'R.

Capital stock	$600,000 00
Surplus fund	14,161 35
Circulation	360,000 00

Madison street property		465 29
Interest account	$18,802 24	
Discount account	27,462 21	
Gold discount account	385 05	
		46,649 50
Seignouret Frères, Bordeaux, loan account	450,000 00	
Seignouret Frères, Bordeaux, account S	364,714 08	
Crédit Suisse	9,350 28	
		824,064 36
E. H. Reynes & Bro., S. A		50,000 00
Special deposits, 4 per cent		3,450 00
Dividends		6,523 20
Individual depositors	1,064,129 57	
Due to banks and bankers	1,373 16	
		1,065,502 73
Due to F. Schuchardt & Sons		319,280 08
		$3,290,096 51

D'R. RESOURCES.

Notes and bills discounted	$1,274,397 24	
Gold notes and bills dis	9,816 38	
Bills receivable	16,758 69	
Notes and bills dis. and sus. paper, old portfolio	68,365 16	
Suspense account	49,964 76	
		1,419,302 23
U. S. 5 per cent. new loan	400,000 00	
Bonds and securities	202,585 36	
238 Real estate	35,891 93	
		638,477 29
United States taxes	4,663 27	
Furniture and fixtures	6,000 00	
Contingent expenses	25,857 74	
Law charges	10,904 56	
Protest account	340 78	
Exchange account	620 42	
Premium account	42,795 96	
Gold account	1,317 45	
Profit and loss	42,763 54	
		135,263 70
Cash, legal tender notes	74,540 00	
Cash, fractional currency	9,386 72	
Cash, specie	34,098 21	
Cash, bills on other banks	13,065 00	
Cash, checks on local banks	177,289 67	
		308,379 60
Seignouret Frères, Bordeaux	473,478 69	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	3,931 18	
Fould & Co., Paris	32,482 46	
A. Dutfoy & Co., Paris	45,778 31	
London Joint Stock Bank, London	3,362 19	
C. J. Hambro & Son	117,686 27	
		687,487 03

Due from Nat. Park Bank, New York		38,341 72
Due from Schuchardt & Sons, Gold account		2,177 15
Due from banks and bankers		60,667 79
		$3,290,096 51

239 MONDAY MORNING, *June* 2, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Real estate, Madison street		465 29
Interest account	$20,369 21	
Exchange account	2,683 67	
Discount account	33,639 21	
Gold discount account	385 05	
		57,077 14
Seignouret Frères, Bordeaux, loan account	450,000 00	
Seignouret Frères, Bordeaux, account S.	296,222 38	
Crédit Suisse	38,017 28	
C. J. Hambro & Son	107,776 63	
		892,016 29
Special deposits, 4 per cent		3,450 00
Dividends		6,244 20
Individual depositors	722,697 56	
Due to banks and bankers	3,336 68	
		726,034 24
Due to F. Schuchardt & Sons		241,819 24
		2,901,267 75

D'R. RESOURCES.		
Notes and bills discounted	$1,228,588 22	
Gold notes and bills dis	4,591 26	
Bills receivable	14,867 28	
Notes and bills dis. and sus. paper, old portfolio	68,365 16	
Suspense account	108,353 78	
		$1,424,765 70
U. S. 5 per cent. new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	37,141 93	
		639,727 29
240 United States taxes	4,663 27	
Furniture and fixtures	6,000 00	
Contingent expenses	31,659 29	
Law charges	10,962 56	
Protest account	348 78	
Premium account	42,795 94	
Gold account	1,262 66	
Profit and loss	43,077 54	
		140,770 04
Cash, legal-tender notes	8,170 00	
Cash, fractional	6,306 52	
Cash, specie currency	14,332 99	

Cash, bills on other national banks	9,060 00	
Cash, checks on local banks	75,696 44	
		113,565 95
Seignouret Frères, Bordeaux, account F	405,540 83	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	3,931 18	
Fould & Co., Paris	6,645 42	
A. Dutfoy & Co., Paris	78,886 63	
London Joint Stock Bank, London	25,058 61	
		530,830 60
Baltzer & Taaks, New York		3,818 66
Due from National Park Bank, New York		10,477 88
Due from F. Schuchardt & Sons, gold account		706 48
Due from banks and bankers		36,605 15
		$2,901,267 75

241 TUESDAY MORNING, *July* 1, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Real estate, Madison street		405 79
Discount account		5,056 97
Seignouret Frères, Bordeaux, account F	$70,017 21	
Seignouret Frères, Bordeaux, account S	43,006 26	
A. Lafargue & Co	166,422 94	
		279,446 41
Special deposits, 4 per cent		3,450 00
Dividends		6,136 26
Individual depositors	752,933 68	
Due to banks and bankers	884 96	
		753,818 64
Due to F. Schuchardt & Sons, currency account	332,094 03	
Due to F. Schuchardt & Sons, gold account	56,672 72	
		388,766 75
		$2,411,242 11

D'R. RESOURCES.		
Notes and bills discounted	$950,886 07	
Gold-notes and bills dis	7,604 28	
Bills receivable	20,943 28	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	204,043 91	
		$1,251,773 31
242 U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	37,141 93	
		639,727 29
Furniture and fixtures	6,000 00	
Protest account	364 78	

Premium account	42,795 94	
Gold account	1,250 66	
		50,411 38
Cash, legal-tender notes	248,000 00	
Cash, fractional currency	6,302 62	
Cash, specie	3,659 21	
Cash, bills on other national banks	10,335 00	
Cash, checks on local banks	101,165 89	
		369,462 72
C. J. Hambro & Son	9,739 62	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	6,079 18	
Fould & Co., Paris	582 98	
A. Dutfoy & Co., Paris	1,264 17	
London Joint Stock Bank, London	1,600 43	
Crédit Suisse	21,751 46	
		51,785 77
Baltzer & Taaks, N. Y		3,818 66
Due from National Park Bank		6,588 04
Due from banks and bankers		37,674 94
		$2,411,242 11

243 FRIDAY MORNING, *August* 1, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$4,058 93	
Exchange account	1,974 74	
Premium account	299 34	
Discount account	5,086 24	
Profit and loss	1,509 23	
		12,928 48
Seignouret Frères, Bordeaux, account F	204,182 95	
Crédit Suisse	34,629 91	
A. Lafargue & Co	166,422 94	
Crédit Mobilier	217,909 54	
		623,145 34
Special deposits, 4 per cent		3,450 00
Dividends		5,970 60
Individual depositors	508,201 68	
Due to banks and bankers	1,388 58	
		509,590 26
Due to F. Schuchardt & Sons, currency account		199,951 92
Due to F. Schuchardt & Sons, gold account		58,581 54
		$2,388,174 58

D'R. RESOURCES.		
Notes and bills discounted	$932,180 06	
Gold notes and bills dis	3,608 50	
Bills receivable	22,212 45	

Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	208,799 03	
		1,235,095 81
244 U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	102,585 36	
Real estate	40,141 93	
		642,727 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	4,767 40	
Law charges	178 75	
Protest account	371 78	
Premium account	42,795 94	
		58,615 80
Cash, legal-tender notes	180,300 00	
Cash, fractional currency	11,303 65	
Cash, specie	10,336 28	
Cash, bills on other Nat. B'ks	6,285 00	
Checks on local banks	44,749 05	
		252,973 98
C. J. Hambro & Son	46,274 67	
Seignouret Frères, Bordeaux, account S	53,519 02	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	2,625 73	
Fould & Co., Paris	582 98	
A. Dutfoy & Co., Paris	27,085 76	
London Joint St'k B'k, London	20,200 60	
De Sulzer, Wart & Co	9,326 38	
		170,383 07
Baltzer & Taaks		3,818 66
Due from Nat. Park Bank		5,614 27
Due from banks and bankers		18,945 70
		$2,388,174 58

245 MONDAY MORNING, *September* 1, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	10,784 36	
Exchange account	3,061 83	
Discount account	9,880 88	
Profit and loss	1,494 23	
		25,221 30
Seignouret Frères, Bordeaux, account F	138,456 77	
Credit Mobilier	218,454 34	
DeSulzer, Wart & Co	52,920 30	
A. Dutfoy & Co., Paris	22,893 98	
G. Honnorat & Co	32,751 11	
		465,476 50
Special deposits, 4 per cent		3,450 00

Dividends		5,826 60
Individual depositors	543,560 09	
Due to banks and bankers	1,479 23	
		545,039 32
Due to F. Schuchardt & Sons, currency account		369,084 60
Due to F. Schuchardt & Sons, gold account		60,046 88
		$2,448,701 64

D'R. RESOURCES.

Notes and bills discounted	$935,157 80	
Gold-notes and bills dis.	7,849 84	
Bills receivable	22,212 45	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	215,598 31	
		1,249,114 17
246 U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	8,305 96	
Law charges	178 75	
Protest account	378 28	
Premium account	42,795 94	
Gold account	1,250 66	
		63,411 52
Cash, legal-tender notes	63,320 00	
Cash, fractional currency	4,356 75	
Cash, specie	8,582 16	
Cash, bills on other national banks	9,220 00	
Cash, checks on local banks	78,927 79	
		164,406 70
C. J. Hambro & Son	179,724 83	
Seignouret Frères, Bordeaux, account S	53,880 30	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	
Fould & Co., Paris	1,586 18	
London Joint Stock Bank, London	23,993 09	
Crédit Suisse	30,635 53	
A. Lafargue & Co	441 92	
		305,841 30
Due from National Park Bank, New York		8,628 23
Due from banks and bankers		14,072 43
		$2,448,701 64

247 TUESDAY MORNING, *September* 30, 1873.

LIABILITIES. C'R.

Capital stock	$600,000 00
Surplus funds	14,161 35
Circulation	360,000 00

Madison-street property		395 09
Interest account	$10,654 72	
Exchange account	1,620 15	
Discount account	14,351 74	
Profit and loss	988 98	
		27,615 59
Cash		101,379 96
De Sulzer, Wart & Co., Havre	52,920 30	
Société Crédit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
Roederer & Co., Havre	42,718 63	
		336,284 37
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	388,234 09	
Due to banks and bankers	928 37	
		389,162 46
Due to F. Schuchardt & Sons, currency account		124,160 97
Due to F. Schuchardt & Sons, gold account		66,255 12
National Park Bank		3,626 35
		$2,031,984 86

DR. RESOURCES.

Notes and bills discounted	$861,881 33	
Gold-notes and bills dis	8,793 74	
Bills receivable	22,212 45	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		$1,070,895 77
248 U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	11,565 57	
Law charges	201 45	
Protest account	384 28	
Premium account	42,795 94	
Gold account	1,844 46	
		67,293 63
C. J. Hambro & Son	9,520 02	
Seignouret Frères, Bordeaux, account F	6,266 60	
Seignouret Frères, Bordeaux, account S.	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Fould & Co., Paris	1,586 18	
Perier Frères & Co	4,811 52	
A. Dutfoy & Co., Paris	13,070 89	
London Joint Stock Bank, London	14,793 87	
Crédit Suisse	30,635 53	
A. Lafargue & Co	48 16	
		107,963 26

Due from National Park Bank, gold account	5,063 27
Due from Sternberger, Netter & Seasongood	1,812 11
Due from banks and bankers	135,729 53
	$2,031,984 86

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Wednesday Morning, *September* 24, 1873.

LIABILITIES.		Cr.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	
Exchange account	1,661 91	
Discount account	14,194 38	
Profit and loss	988 98	
		27,499 99
C. J. Hambro & Son	42,621 19	
De Sulzer, Wart & Co	52,920 30	
Crédit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
Roederer Frères	42,718 63	
		378,905 56
Dividends		5,574 60
Special deposit, 4 per cent		3,450 00
Individual depositors	527,531 84	
Due to banks and bankers	1,697 24	
		529,229 08
Due to F. Schuchardt & Sons, currency account		129,203 98
Due to F. Schuchardt & Sons, gold account		66,232 85
Total		$2,114,652 50

D'r. RESOURCES.		
Notes and bills discounted	$903,287 75	
Gold-notes and bills disc't	11,702 81	
Bills receivable	22,212 45	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
250 Suspense account	109,712 48	
		$1,115,211 26
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	11,556 57	
Law charges	201 45	
Protest account	381 28	
Premium "	42,795 94	
Gold "	1,844 46	
		67,281 63

Cash checks on local banks		47,361 59
Perier Frères & Co.	4,811 52	
Seignouret Frères, Bordeaux, account F	8,705 75	
Seignouret Frères, Bordeaux, account S	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Fould & Co., Paris	1,586 18	
A. Dutfoy & Co., Paris	13,070 89	
London Joint Stock Bank, London	14,793 87	
Crédit Suisse	30,635 53	
A. Lafargue & Co.	48 16	
		100,882 39
Due from National Park Bank		1,305 03
Due from Sternberger, Netter & Seasongood		421 76
Due from banks and bankers		138,961 55
Total		$2,114,652 50

251 Thursday Morning, *September* 25, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	10,654 72	
Exchange account	1,679 54	
Discount account	14,195 26	
Profit and loss	988 98	
		27,518 50
C. J. Hambro & Son	42,621 19	
DeSulzer, Wart & Co	52,920 30	
Crédit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
Roderer Frères	42,718 63	
		378,905 56
Dividends		5,574 60
Special deposits, 4 per cent		3,450 00
Individual depositors	485,740 96	
Due to banks and bankers	1,605 46	
		487,346 42
Due to F. Schuchardt & Sons currency account		128,705 23
Do. do. gold ac't		66,232 85
National Park Bank, cur'cy ac't		1,282 20
		$2,073,571 80

D'R. RESOURCES.		
Notes and bills discounted	$902,673 58	
Gold-notes and bills disc'd	9,520 31	
Bills receivable	22,212 45	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		1,112,414 59
U. S. five per cent., new loan	400,000 00	

252 Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	11,556 57	
Law charges	201 45	
Protest account	381 28	
Premium do.	42,795 94	
Gold do.	1,844 46	
		67,281 63
Cash checks on local banks		5,721 62
Perier Frères & Co	4,811 52	
Seignouret Frères, Bordeaux, account F	8,705 75	
Seignouret Frères, Bordeaux, account S	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Fould & Co., Paris	1,586 18	
A. Dutfoy & Co., Paris	13,070 89	
London Joint St'k Bank, London	14,793 87	
Crédit Suisse	30,635 53	
A. Lafargue & Co	48 16	
		100,882 39
Due from National Park Bank, gold account		5,063 27
Due from Sternberger, Netter & Seasongood		421 76
Due from banks and bankers		138,559 25
		$2,073,571 80

253 FRIDAY MORNING, *September* 26, 1873.

LIABILITIES.		CR.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	
Exchange account	1,697 04	
Discount account	14,197 01	
Profit and loss	988 98	
		27,537 75
Cash		20,138 62
C. J. Hambro & Son	42,621 19	
DeSulzer, Wart & Co	52,920 30	
Crédit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
Roederer Frères	42,718 63	
		378,905 56
Dividends		5,565 60
Special deposits, 4 per cent		3,450 00
Individual depositors	460,505 19	
Due to banks and bankers	691 01	
		461,196 20
Due to F. Schuchardt & Sons, currency account		127,956 81
Due to F. Schuchardt & Sons, gold account		66,232 85
		$2,065,539 83

D'R. RESOURCES.

Notes and bills discounted	$900,628 33	
Gold-notes and bills dis	9,520 31	
Bills receivable	22,212 49	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		1,110,369 34
254 U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	11,556 57	
Law charges	201 45	
Protest account	381 28	
Premium account	42,795 94	
Gold account	1,844 46	
		67,281 63
Perier Frères & Co	4,811 52	
Seignouret Frères, Bordeaux, account F.	8,705 75	
Seignouret Frères, Bordeaux, account S.	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Fould & Co., Paris	1,586 18	
A. Dutfoy & Co., Paris	13,070 89	
London Joint Stock Bank, London	14,793 87	
Crédit Suisse	30,635 53	
A. Lafargue & Co	48 16	
		100,882 39
Due from National Park Bank, currency account		484 57
Due from National Park Bank, gold account		5,063 27
Due from Sternberger, Netter & Seasongood		1,652 36
Due from banks and bankers		136,578 98
		$2,065,539 83

255 SATURDAY MORNING, *September* 27, 1873.

LIABILITIES. C'R.

Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	
Exchange account	1,666 13	
Discount account	14,267 20	
Profit and loss	988 98	
		27,577 03
Cash		33,109 38
C. J. Hambro & Son	42,621 19	
DeSalzer, Wart & Co	52,920 30	
Crédit Mobilier	218,454 34	

G. Honnorat & Co	22,191 10	
Roederer Frères	42,718 63	
		378,905 56
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	445,120 88	
Due to banks and bankers	928 37	
		446,049 25
Due to F. Schuchardt & Sons, currency account		127,956 81
Due to F. Schuchardt & Sons, gold account		66,232 85
		$2,063,330 92

D'r. RESOURCES.

Notes and bills discounted	$896,798 33	
Gold-notes and bills dis	9,520 31	
Bills receivable	22,212 45	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
256 Suspense account	109,712 48	
		$1,106,539 34
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	11,556 57	
Law charges	201 45	
Protest account	384 28	
Premium account	42,795 94	
Gold account	1,884 46	
		67,284 63
Perier Frères & Co	4,811 52	
Seignouret Frères, Bordeaux, account F	8,599 40	
Seignouret Frères, Bordeaux, account S	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Fould & Co., Paris	1,586 18	
A. Dutfoy & Co., Paris	13,070 89	
London Joint Stock Bank, London	14,793 87	
Crédit Suisse	30,645 53	
A. Lafargue & Co	48 16	
		100,776 04
Due from Nat. Park Bank		2,209 01
Due from Nat. Park Bank, gold account		5,063 27
Due from Sternberger, Netter & Seasongood		1,652 36
Due from banks and bankers		136,578 98
		$2,063,330 92

257 MONDAY MORNING, *September* 29, 1873.

LIABILITIES. C'R.

Capital stock	$600,000 00
Surplus funds	14,161 35

Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	
Exchange account	1,620 15	
Discount account	14,267 20	
Profit and loss	988 98	
		27,531 05
Cash		69,161 03
DeSulzer, Wart & Co	52,920 30	
Crédit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
Roederer Frères	42,718 63	
		336,284 37
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	423,670 15	
Due to banks and bankers	928 37	
		424,598 52
Due to F. Schuchardt & Sons, currency account		127,154 72
Due to F. Schuchardt & Sons, gold account		66,255 12
National Park Bank, cur. ac't		2,796 35
		$2,037,281 20

D'R. RESOURCES.

Notes and bills discounted	866,398 33	
Gold-notes and bills dis	9,520 31	
Bills receivable	22,212 45	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
258 Suspense account	109,712 48	
		1,076,139 34
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	11,565 57	
Law charges	201 45	
Protest account	384 28	
Premium account	42,795 94	
Gold account	1,844 46	
		67,293 63
C. J. Hambro & Son	9,520 02	
Seignouret Frères, Bordeaux, account F	6,319 37	
Seignouret Frères, Bordeaux, account S	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	
Fould & Co., Paris	1,586 18	
A. Dutfoy & Co., Paris	13,070 89	
London Joint Stock Bank, London	14,793 87	
Crédit Suisse	30,635 53	
A. Lafargue & Co	48 16	
		108,016 03

Due from National Park Bank, gold account	5,063 27
Due from Sternberger, Netter & Seasongood	1,812 11
Due from banks and bankers	135,729 53
	$2,037,281 20

259 TUESDAY MORNING, *September* 30, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	
Exchange account	1,620 15	
Discount account	14,351 74	
Profit and loss	988 98	
		27,615 59
Cash		101,379 96
DeSulzer, Wart & Co	52,920 30	
Crédit Mobilier	218,454 24	
G. Honnorat & Co	22,191 10	
Roederer & Co	42,718 63	
		336,284 37
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	388,234 09	
Due to banks and bankers	928 37	
		389,162 46
Due to F. Schuchardt & Sons, currency account		124,160 97
Due to F. Schuchardt & Sons, gold account		66,255 12
National Park Bank		3,626 25
		$2,031,984 86

D'R. RESOURCES.		
Notes and bills discounted	$861,881 33	
Gold-notes and bills dis	8,793 74	
Bills receivable	22,212 45	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
260 Suspense account	109,712 48	
		$1,070,865 77
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	202,585 36	
Real estate	40,641 93	
		643,227 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	11,565 57	
Law charges	201 45	
Protest account	384 28	
Premium account	42,795 94	
Gold account	1,844 46	
		67,293 63
C. J. Hambro & Son	9,520 02	
Seignouret Frères, Bordeaux, account F	6,266 60	

Seignouret Frères, Bordeaux, account S...	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	
Fould & Co., Paris	1,586 18	
A. Dutfoy & Co., Paris	13,070 89	
London Joint Stock Bank, London	14,793 87	
Crédit Suisse	30,635 53	
A. Lafargue & Co	48 16	
		107,963 26
Due from National Park Bank, gold account		5,063 27
Due from F. Schuchardt & Sons		1,812 11
Due from Sternberger, Netter & Seasongood		135,729 53
		$2,031,984 86

261 Saturday Morning, *October* 4, 1873.

LIABILITIES.

		C'R.
Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	10,654 72	
Exchange account	1,337 27	
Discount account	15,230 15	
Profit and loss	638 98	
		27,861 12
Seignouret Frères, Bordeaux, account F..	44,421 72	
C. J. Hambro & Son	26,115 51	
De Sulzer, Wart & Co	52,380 30	
A. Dutfoy & Co., Paris	29,586 60	
		152,504 13
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	306,775 31	
Due to banks and bankers	915 14	
		307,690 45
Due to F. Schuchardt & Sons, gold account		66,255 12
Nat. Park Bank, cur'cy account		3,668 33

D'R. RESOURCES.

Notes and bills discounted	$860,621 93	
Gold-notes and bills dis	8,793 74	
Bills receivable	92,845 36	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		1,140,269 28
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	161,360 36	
262 Real estate	40,641 93	
		602,002 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	

Contingent expenses	13, 438 67	
Law charges	201 45	
Protest account	381 28	
Premium account	42, 795 94	
Gold account	2, 720 20	
		70, 039 47
Cash checks on local banks		65, 170 11
Seignouret Frères, Bordeaux, account S	16, 462 56	
Seignouret Frères, Bordeaux, account K and M	10, 767 93	
Crédit Suisse	30, 635 53	
Fould & Co., Paris	1, 586 18	
Perier Frères & Co	4, 811 52	
London Joint St'k Bank, London	14, 527 22	
A. Lafargue & Co	48 16	
		78, 839 10
Due from National Park Bank, gold account		5, 063 27
Due from F. Schuchardt & Sons		2, 651 54
Due from Sternberger, Netter & Seasongood		812 11
Due from bank and bankers		131, 118 82
		$2, 095, 965 99

263 MONDAY MORNING, *October* 6, 1873.

LIABILITIES.		CR.
Capital stock		600, 000 00
Surplus funds		14, 161 35
Circulation		360, 000 00
Madison-street property		395 09
Interest account	10, 654 72	
Exchange account	1, 310 92	
Discount account	15, 356 77	
Profit and loss	363 98	
		27, 686 39
Seignouret Frères, Bordeaux, account F	52, 812 16	
Seignouret Frères, Bordeaux, account S	11, 630 33	
C. J. Hambro & Son	46, 362 68	
A. Dutfoy & Co., Paris	41, 813 89	
De Sulzer, Wart & Co	52, 380 30	
Crédit Mobilier	218, 454 34	
G. Hannorat & Co	22, 191 10	
Roederer Frères	42, 718 63	
		488, 363 43
Dividends		5, 493 60
Special deposits, 4 per cent		3, 450 00
Individual depositors	289, 631 30	
Due to banks and bankers	915 14	
		290, 546 52
Due to F. Schuchardt & Sons, gold account		66, 255 12
National Park Bank, currency account		5, 668 33
Clearing-house, certificate account		206, 970 35
N. O. Mutual Insurance Association		61, 122 73
		$2, 130, 112 91

264 D'R. RESOURCES.

Notes and bills discounted	853,066 43	
Gold-notes and bills dis	8,793 74	
Bills receivable	92,845 36	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		1,132,713 78
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	161,360 36	
Real estate	40,641 93	
		602,002 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	17,014 18	
Law charges	201 45	
Protest account	381 28	
Premium account	42,795 94	
Gold account	2,720 20	
		73,614 98
Checks on local banks		51,492 33
Crédit Suisse	30,635 53	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	
Fould & Co., Paris	1,586 18	
London Joint Stock Bank, London	2,187 98	
A. Lafargue & Co	48 16	
		50,037 30
Due from National Park Bank, gold account		5,063 27
Due from F. Schuchardt & Sons, currency account		2,976 67
Due from Sternberger, Netter & Seasongood		812 11
Due from banks and bankers		211,400 18
		$2,130,112 91

265 MONDAY MORNING, *October* 13, 1873.

LIABILITIES. C'R.

Capital stock		600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	
Discount account	15,356 77	
Profit and loss	363 98	
		26,375 47
Seignouret Frères, Bordeaux, account F	51,599 20	
Seignouret Frères, Bordeaux, account S.	11,630 33	
C. J. Hambro & Son	46,362 68	
Roederer Frères	42,718 63	
A. Dutfoy & Co., Paris	41,813 89	
De Sulzer, Wart & Co	52,380 30	
Credit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
		487,150 47

Contingent expenses	13,438 67	
Law charges	201 45	
Protest account	381 28	
Premium account	42,795 94	
Gold account	2,720 20	
		70,039 47
Cash checks on local banks		65,170 11
Seignouret Frères, Bordeaux, account S	16,462 56	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Crédit Suisse	30,635 53	
Fould & Co., Paris	1,586 18	
Perier Frères & Co	4,811 52	
London Joint St'k Bank, London	14,527 22	
A. Lafargue & Co	48 16	
		78,839 10
Due from National Park Bank, gold account		5,063 27
Due from F. Schuchardt & Sons		2,651 54
Due from Sternberger, Netter & Seasongood		812 11
Due from bank and bankers		131,118 82
		$2,095,965 99

263 MONDAY MORNING, *October* 6, 1873.

LIABILITIES.		C'R.
Capital stock		600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	10,654 72	
Exchange account	1,310 92	
Discount account	15,356 77	
Profit and loss	363 98	
		27,686 39
Seignouret Frères, Bordeaux, account F	52,812 16	
Seignouret Frères, Bordeaux, account S	11,630 33	
C. J. Hambro & Son	46,362 68	
A. Dutfoy & Co., Paris	41,813 89	
De Sulzer, Wart & Co	52,380 30	
Crédit Mobilier	218,454 34	
G. Hannorat & Co	22,191 10	
Roederer Frères	42,718 63	
		488,363 43
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	289,631 30	
Due to banks and bankers	915 14	
		290,546 52
Due to F. Schuchardt & Sons, gold account		66,255 12
National Park Bank, currency account		5,668 33
Clearing-house, certificate account		206,970 35
N. O. Mutual Insurance Association		61,122 73
		$2,130,112 91

264 D'R. RESOURCES.

Notes and bills discounted	853,066 43	
Gold-notes and bills dis	8,793 74	
Bills receivable	92,845 36	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		1,132,713 78
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	161,360 36	
Realestate	40,641 93	
		602,002 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	17,014 18	
Law charges	201 45	
Protest account	381 28	
Premium account	42,795 94	
Gold account	2,720 20	
		73,614 98
Checks on local banks		51,492 33
Crédit Suisse	30,635 53	
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	
Fould & Co., Paris	1,586 18	
London Joint Stock Bank, London	2,187 98	
A. Lafargue & Co	48 16	
		50,037 30
Due from National Park Bank, gold account		5,063 27
Due from F. Schuchardt & Sons, currency account		2,976 67
Due from Sternberger, Netter & Seasongood		812 11
Due from banks and bankers		211,400 18
		$2,130,112 91

265 Monday Morning, *October* 13, 1873.

LIABILITIES.		C'R.
Capital stock		600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	
Discount account	15,356 77	
Profit and loss	363 98	
		26,375 47
Seignouret Frères, Bordeaux, account F	51,599 20	
Seignouret Frères, Bordeaux, account S.	11,630 33	
C. J. Hambro & Son	46,362 68	
Roederer Frères	42,718 63	
A. Dutfoy & Co., Paris	41,813 89	
De Sulzer, Wart & Co	52,380 30	
Credit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
		487,150 47

Dividends		5,493 60
Special-deposits account		3,450 00
Individual depositors	271,683 88	
Due to banks and bankers	1,008 76	
		272,692 64
Due to F. Schuchardt & Sons, gold account		67,231 17
Clearing-house, certificate account		188,584 05
N. O. Mutual Insurance Association, pledge account		61,122 73
		$2,086,656 57

266 D'r. RESOURCES.

Notes and bills discounted	$852,122 71	
Gold-notes and bills dis	8,793 74	
Bills receivable	92,845 36	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		1,131,770 06
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	161,360 36	
Real estate	40,641 93	
		602,002 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	17,930 86	
Law charges	201 45	
Protest account	381 28	
Exchange account	1,127 27	
Premium account	42,795 94	
Gold account	2,112 61	
		75,051 34
Cash checks on local banks		16,052 41
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	
Fould & Co., Paris	1,586 18	
London Joint Stock Bank, London	2,187 98	
Crédit Suisse	30,635 53	
A. Lafargue & Co	48 16	
		50,037 30
Due from National Park Bank		2 53
Due from F. Schuchardt & Sons, currency account		1,505 74
267 Due from Sternberger, Netter & Seasongood		812 11
Due from banks and bankers		209,422 79
		$2,086,656 57

SATURDAY MORNING, *October* 18, 1873.

LIABILITIES. C'r.

Capital stock		$600,000 00
Surplus funds		14,161 35
Circulation		360,000 00
Madison-street property		395 09
Interest account	$10,654 72	

Discount account	15,356 77	
Profit and loss	363 98	
		26,375 47
Seignouret Frères, Bordeaux, account F	51,599 20	
Seignouret Frères, Bordeaux, account S	11,630 33	
C. J. Hambro & Son	46,362 68	
Roederer Frères	42,718 63	
A. Dutfoy & Co., Paris	41,813 89	
De Sulzer, Wart & Co	52,380 30	
Crédit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
		487,150 47
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	271,473 61	
Due to banks and bankers	1,009 76	
		272,483 37
Due to F. Schuchardt & Sons, gold account		67,231 17
268 Clearing-house, certificate account		188,584 05
N. O. Mut. Ins. Ass'n, pledge acc't		61,122 73
		$2,086,447 30

D'R. RESOURCES.

Notes and bills discounted	$850,972 71	
Gold notes and bills disc't	8,793 74	
Bills receivable	92,845 36	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	$109,712 48	
		1,130,620 06
U. S. 5 per cent., new loan	400,000 00	
Bonds and securities	161,360 36	
Real estate	40,641 93	
		602,002 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	17,962 48	
Law charges	201 45	
Protest account	381 28	
Exchange do.	1,127 27	
Premium do.	42,795 94	
Gold do.	2,112 61	
		75,082 96
Cash checks on local banks		17,038 58
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	
Fould & Co., Paris	1,586 18	
London Joint St'k Bank, London	2,187 98	
Crédit Suisse	30,635 53	
A. Lafargue & Co	48 16	
		50,037 30
269 Due from National Park Bank		253 00
Due from F. Schuchardt & Sons, currency account		1,428 68
Due from Sternberger, Netter & Seasongood		812 11
Due from banks and bankers		209,422 79
		$2,086,447 30

FRIDAY MORNING, *October* 24, 1873.

LIABILITIES.		C'R.
Capital stock		$600,000 00
Surplus funds		360,000 00
Circulation		14,161 35
Madison-street property		395 09
Interest account	$10,654 72	
Discount account	15,356 77	
Profit and loss	363 98	
		26,375 47
Seignouret Frères, Bordeaux, account F	51,599 20	
Seignouret Frères, Bordeaux, account S	11,630 33	
C. J. Hambro & Son	46,362 68	
A. Dutfoy & Co., Paris	41,813 89	
De Sulzer, Wart & Co	52,380 30	
Crédit Mobilier	218,454 34	
G. Honnorat & Co	22,191 10	
Roederer Frères	42,718 63	
		487,150 47
Dividends		5,493 60
Special deposits, 4 per cent		3,450 00
Individual depositors	271,979 76	
Due to banks and bankers	1,009 76	
		272,989 52
270 Due to F. Schuchardt & Sons, gold account		67,231 17
Clearing-house certificates		188,584 05
N. O. Mutual Insurance Association, pledge account		61,122 73
		$2,086,953 45
D'R. RESOURCES.		
Notes and bills discounted	$850,459 31	
Gold notes and bills dis	8,793 74	
Bills receivable	92,845 36	
Notes and bills dis. and sus. paper, old portfolio	68,295 77	
Suspense account	109,712 48	
		$1,130,106 66
U. S. 5 per cent. new loan	400,000 00	
Bonds and securities	161,360 36	
Real estate	40,641 93	
		602,002 29
United States taxes	4,501 93	
Furniture and fixtures	6,000 00	
Contingent expenses	17,962 48	
Law charges	201 45	
Protest account	381 28	
Exchange "	1,127 88	
Premium "	42,795 94	
Gold "	2,112 61	
		75,083 57
Cash checks on local banks		17,833 24
Seignouret Frères, Bordeaux, account K and M	10,767 93	
Perier Frères & Co	4,811 52	

	Fould & Co., Paris	1,586 18	
	London Joint Stock Bank, London	2,187 98	
271	Crédit Suisse	30,635 53	
	A. Lafargue & Co	48 16	
			50,037 30
	Due from National Park Bank		2 53
	Due from F. Schuchardt & Sons, currency account		1,897 26
	Due from Sternberger, Netter & Seasongood		812 11
	Due from banks and bankers		209,178 49
			$2,086,953 45

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Blache 5.

Be it known that on this twenty-fifth day of the month of September, in the year of our Lord one thousand eight hundred and seventy-three, before me, Theodore Guyol, a notary public, duly commissioned and sworn for the parish of Orleans, State of Louisiana, and in the presence of the witnesses hereinafter named and undersigned, personally appeared the parties whose names are hereinafter subscribed, acting for and in the names of the banks and firms which they severally represent, who declared that in their several capacities they had made and entered into the following agreements and stipulations which shall govern their mode of procedure for and during the thirty days ensuing the date hereof. Messieurs Louis Schneider, George Jonas, and Patrick Irwin are hereby appointed as trustees to act in behalf of the parties to this agreement, the said Louis Schneider to act as president of the said trusteeship.

The said trustees are hereby empowered to issue certificates to each bank and banker, upon deposits of collaterals to the extent of seventy-five per cent. of what the said trustees shall deem their par value, the said certificates to be called clearing-house certificates, and to be in sums of not less than one thousand dollars and not more than five thousand dollars each.

The said trustees shall select a bank to deposit the collaterals deposited with them.

The banks and bankers herein represented as parties to this act are
hereby bound to issue only certified checks in payment of all sums
273 over twenty-five dollars, and not to pay currency in sums exceeding
twenty-five dollars, upon the checks of any depositor on the same day.

The parties to this agreement shall use certified checks in the purchase of domestic or foreign exchange, and clearing-house certificates only in settlement of their daily exchanges and balances.

All new deposits shall be payable in the same kind of currency as that deposited.

The several banks and bankers herein represented are hereby bound not to increase their present line of discounts, and to use all efforts to curtail their liabilities.

In case at the expiration of thirty days from this date any of the parties to this act should fail to redeem the collaterals deposited by them, as aforesaid, the said trustees are hereby authorized and empowered to sell and dispose of the said collaterals at private sale, to the best of the interest of the parties interested, and to apply the proceeds of such sales to the redemption of said certificates; the whole without any intervention of justice.

This agreement being made and entered into to prevent the drain of currency which would inevitably take place on the banks of New

Orleans, it is understood that it shall not apply to gold deposits, which are to be paid and settled in the usual manner.

Done and passed in my office, at the city of New Orleans, on the day, month, and year first before written, in the presence of Armand Guyol and John Steiner, competent witnesses, who have signed these presents with the parties and me, notary, after reading the whole.

(Signed)

HIBERNIA NATIONAL BANK, *by P. Irwin, President.*
STATE NATIONAL BANK, *by E. Rigney, Vice-President.*
274 UNION NATIONAL BANK, *M. M. Simpson, Vice-President.*
BANK OF AMERICA, *per A. M. Fortier, President.*
MUTUAL NATIONAL BANK OF N. O., *P. Fourchy, Pres't.*
THE PEOPLE'S BANK OF N. O., *R. M. Davis, President.*
N. O. NAT. BANKING ASSOCIATION, *C. Cavaroc, Pres't.*
PIKE, BROTHER & CO.
N. O. NATIONAL BANK, *J. K. Bell, President.*
CITIZENS' BANK OF LOUISIANA, *Jno. G. Gaines, Pres't.*
GERMANIA NATIONAL BANK, *Louis Schneider, Pres't.*
BANK OF LAFAYETTE, *S. Hopkins, jr, President.*
LOUISIANA NATIONAL BANK, *A. Luria, Cashier.*
TEUTONIA NATIONAL BANK, *I. R. Wilderman, Pres't.*
ARMAND GUYOL.
JOHN STEINER.

THEO. GUYOL, *Not. Pub.*

A true copy of the original.
New Orleans, November 8, 1873.

THEO. GUYOL, *Notary.*

275 UNITED STATES OF AMERICA,
District of Louisiana, ss:

I, Francis A. Wooltley, commissioner of the circuit court of the United States, district of Louisiana, duly appointed, by consent of parties, to take the testimony of Henry Blache, W. S. Brown, and Charles de Armas, witnesses on the part of the complainant, do hereby certify that on the days named in the depositions hereto annexed I was attended at the office of J. D. Rouse, esq., No. 3½ Carondelet street, in the city of New Orleans, by the counsel and witnesses aforesaid; that the witnesses were duly sworn and examined, and the depositions were reduced to writing and read to the witnesses, and by them subscribed in my presence; and that exhibits Blache 1 to Blache 5 inclusive were introduced in evidence in said cause during the taking of said depositions.

And I further certify that the depositions of Henry Blache, Gustave Legardeur, George Lanaux, Amilcar Fortier, Paul Fourchy, E. H. Reynes, Tho's Janney, Gustave Blache, F. F. Case, Albert Baldwin, W. R. Lyman, M. F. Bonis, and Eugene F. Mioton, taken on behalf 276 of complainant in the case of John Cockrem, receiver of the New Orleans National Banking Association, vs. Charles Cavaroc & Son et al., No. 7064 of the docket of the United States circuit court, district of Louisiana, were, by agreement of parties, offered in evidence by the complainant in this case.

New Orleans, April 9th, 1875.

F. A. WOOLFLEY,
Comm'r U. S. Circuit Court, District of Louisiana.

Testimony for defendants.—Filed April 9th, 1875.

United States circuit court, district of Louisiana.

NEW ORLEANS, *March 3d,* 1875.

JNO. COCKREM, REC'R OF THE N. O. NAT. BANKing Association, *vs.* NAT. PARK BANK OF N. Y. ET ALS.	No. 7072.

Testimony on behalf of defendants, taken by consent of counsel before F. A. Woolfley, commissioner of the circuit court of the United States, district of Louisiana.

Present: Tho's Allen Clarke, esq., sol'r for defendants.

" J. D. Rouse and J. R. Beckwith, esq's, solicitors for complainant.

277 M'r Tho's Allen Clarke, for defendants herein, offers in evidence the depositions of George Jonas, taken in case of John Cockrem, receiver, &c., vs. C. Cavaroc & Son et als., No. 7064 of the docket of the U. S. circuit court; also the deposition of Charles Cavaroc taken in said case, No. 7064, U. S. circuit court.

CHARLES CAVAROC, a witness produced, sworn, and examined on behalf of defendants, deposes and says:

By M'r Clarke:

Ques. You had a negotiation with the National Park Bank of New York?

Ans. Yes, sir.

Ques. At what time?

Ans. I cannot specify the time.

Ques. Is that your letter to the Park Bank in relation to it?

Ans. Yes, sir; this letter indicates it.

(Defendant offers in evidence the letter marked "Exhibit A A 1," written by M'r Blache and signed by C. Cavaroc, pres't.

Ques. Was is responsive to that letter marked "A A 2"?

Ans. Yes, sir.

(Letter is offered in evidence by defendants and marked "A A 2.")

Ques. How did this loan originate?

Ans. M'r Reynes left here for New York and offered me his services, if he could be of any use, and I told him "yes; that if he could 278 borrow $150,000 or $200,000 for account of the bank it would be a great help." He went to New York and it resulted in this correspondence and the loan.

Ques. This letter marked "A A 3" is in answer to your letter?

Ans. Yes, sir.

(Letter "A A 3" is offered in evidence by defendants.)

Ques. Here is the receipt and memorandum referred to in the letter marked "A A 1" as annexed to the answer of the Park Bank?

Ans. Yes, sir.

(Exhibit B annexed to answer of the Park Bank is here offered in evidence by defendants.)

Ques. The notes were forwarded to the Park Bank?

Ans. Yes, sir; two notes for $75,000 each.

Ques. Did you realize the funds; and, if so, how?

Ans. Yes, sir; I realized them by the sale of exchange on New York.

Ques. By drafts and checks of the bank?

Ans. Yes, sir.

Ques. Were these checks numerous or what?

Ans. I think very few checks. I think these were for heavy amounts each.

Ques. What was done with the securities mentioned in this Exhibit B?

Ans. I think they were given to M'r Blache or M'r De Armas.

Ques. How were they given to them—were they received by you?

Ans. Yes, sir; they were received by me.

Ques. What was done with them?

Ans. They were given to M'r Blache or M'r De Armas, I don't remember which.

279 Ques. Is your memory good?

Ans. Yes, sir; generally I have a good memory, but I have suffered very much, and sometimes my memory is not so very good.

Ques. Have you any distinct recollection with reference to these transactions about these notes?

Ans. Yes, sir; the principal things I recollect very well.

Ques. Have you any knowledge of what was done with these notes; how they were selected? Were they not in the portfolio of the bank?

Ans. Yes, sir.

Ques. At that time?

Ans. Yes, sir; certainly.

Ques. What was done with these notes?

Ans. They were taken out and given either to M'r Blache or M'r De Armas to keep for account of the Park Bank.

Ques. In accordance with the terms of the agreement?

Ans. Yes, sir.

Ques. I see here is a letter of August the first signed by you, annexed to the answer of the Park Bank or to the document?

Ans. Yes, sir; it was written by me.

Ques. And was forwarded by you, with the document, at the time?

Ans. Yes, sir.

(Defendants offer the letter in evidence marked "Exhibit A A 4.")

Ques. Have you any knowledge in detail of what became of these securities mentioned in these schedules?

280 Ans. As fast as they were due they were exchanged for other notes.

Ques. And resulted in what?

Ans. In a certain amount of notes which were taken by M'r Reynes.

Ques. About what time were they given to M'r Reynes?

Ans. A few days before the failure of the bank.

Ques. The last list of notes given to M'r Reynes resulted from what?

Ans. From the substitutions and renewals. A great many of these notes were renewals, almost all the time.

Cross-examined by M'r Rouse:

Ques. On the 8th of October, 1875, after the failure of the bank, you transferred to the National Park Bank fifty-two shares of the stock of the New Orleans Gas-Light Co., in your capacity as president; was not that pledged as collateral security by Doize & Gaines to the Bank of New Orleans?

Ans. Yes, sir; but it was looked upon as the property of the bank, because Doize & Gaines held that money for many months, or may be a year, I should say.

Ques. Did you give them credit on their notes for the value of the stock previous to transferring it ?

Ans. I think so. The note of Doize & Gaines was given to the Park Bank, the original note, and of course all the collaterals had to go with the note.

Ques. Do you know positively what you have just testified in regard to the transfer of the Doize & Gaines note ?

281 Ans. I think so, (witness examining the Exhibit Blache 1 says,) but I do not see the note of Doize & Gaines here.

Ques. Don't you believe you are mistaken when you say you transferred the Doize & Gaines note, for which this stock was pledged, to the Park Bank ?

Ans. No, sir; I do not testify that; I do not see the note here (on Exhibit Blache 1.) I may be mistaken in what I have said; my statement about it is this: I went with M'r Reynes and transferred to him for account of the Park Bank a certain amount of gas-light stock certificates. I do not remember what quantity, or the details of it; I know it was to secure the Park Bank, but nothing more.

Ques. Are you positive that the value of the gas-light stock had not been credited on the Doize & Gaines note ?

Ans. No, sir; I am not positive.

Ques. Why did you make this transfer after the failure of the bank; at whose request ?

Ans. I could not tell you; I do not remember; I know I went with M'r Reynes.

Ques. Answer the first branch of my question; why did you make this transfer after the failure of the bank ?

Ans. I am not certain, but I think the certificate of the stock was considered the property of the Park Bank before the failure. This can be found in the books or by M'r De Armas, the note-clerk.

By M'r Beckwith:

Ques. Was it not placed before the failure of the bank in lieu of some security that had been paid for account of the Park Bank ?

282 Ans. It may be so, as I told you before; many notes which were paid substitutions were made therefor.

Ques. Was not that the case with reference to this gas-light stock ?

Ans. I do not remember, but certainly if this stock was transferred after the failure of the bank it was certainly because I considered it the property of the Park Bank; otherwise I would not have protected the Park Bank against others.

C. CAVAROC.

Subscribed and sworn before me March 3, 1875.

F. A. WOOLFLEY,
Com'r of the Circuit Court of the U. S., Dist. of Louisiana.

SAMUEL H. KENNEDY, a witness produced, sworn, and examined on behalf of defendants, deposes and says:

By M'r Clarke:

Ques. You are president of the State National Bank ?

Ans. Yes, sir; I am.

Ques. How long have you been such ?

Ans. Since 1870.

Ques. Is the institution engaged extensively, or how large is its business ?

Ans. It is doing considerable business.

Ques. Compared with other institutions in the city ?

Ans. It is among the leading banks.

Ques. You have been engaged in buying and selling exchange since your organization ?

Ans. Yes, sir.

Ques. And discounting notes ?

283 Ans. Yes, sir.

Ques. Were you here during the summer of 1873 ?

Ans. I was.

Ques. How long were you here; the whole season ?

Ans. I was here until the early days of July, 1873.

Ques. From your position as a bank officer would you have knowledge of the financial condition of other banks in the city ?

Ans. I consider that I would.

Ques. What was the condition in the community as to the credit of the New Orleans National Banking Association up to the time that you left ?

Ans. It was considered in good standing.

Ques. Was it selling exchange ?

Ans. It was buying and selling exchange and doing its regular business, as far as I was aware.

Q. There has been an allusion made in the course of this examination to a meeting of bank presidents, called by M'r Cavaroc on the first of June or the 31st May, 1873; were you present at any meeting called by M'r Cavaroc ?

Ans. I recollect I was present at one meeting.

Ques. What day of the week was it ?

Ans. If I recollect aright it was Sunday.

Ques. Where was it held ?

Ans. In the rooms of the New Orleans Insurance Association.

Ques. What was the object of the meeting ?

Ans. The object of the meeting was to come to the aid and assistance of the New Orleans Insurance Association.

Ques. Was assistance rendered ?

284 Ans. Assistance was rendered.

Ques. Was any assistance rendered to the New Orleans National Banking Association ?

Ans. Not directly.

Ques. How was it indirectly at this meeting ?

Ans. I understood the matter to be this, as represented there : the New Orleans Insurance Association had drawn a large amount of francs on correspondents in France, and that they were unable to meet these bills unless they were to borrow some money; and that the protesting of these bills with the endorsement of the New Orleans National Banking Association would bring discredit on both institutions. And therefore it was very important to lend money to the insurance association to avoid these bills coming back.

Ques. Was there anything said about the relation of the insurance association to the banking association, as debtor or creditor ?

Ans. I understood from the president of the bank that the insurance association was owing him, the bank, a large amount of money.

Cross-examined by M'r Rouse :

Ques. What particular interest had your bank in sustaining the insurance association ?

Ans. I have already explained to you that it was indirectly the bank; that it would not do for the bills to come back protested—that is, their endorsement. It was rather an unusual business, as you are aware, but
still it had been for a very considerable time. The insurance
285 association drew sixty-day franc bills upon Bordeaux, and the
National Banking Association endorsed these bills and sold them.
Now, if these bills had to be protested in Europe and came back, it would have affected both institutions, the insurance association and the bank.

Ques. Then if the New Orleans National Banking Association had not been on the bills you would not have had any motive to make the loan to the insurance association?

Ans. Well, I do not see why he called the presidents of the banks together; he ought to have called together the insurance companies, but we had no transactions with the bank; it was with the insurance association, and they paid us for it.

Ques. What security did they give to you?

Ans. At the time they did not give any. It was understood that they should give it, but I went to Europe, and the matter was settled before I came back.

Ques. Was it not understood that the insurance association was to give a mortgage?

Ans. I believe they were to give a mortgage on their insurance building, but I was not present; I went away.

Ques. You were not present at a meeting called by Mr Cavaroc prior to this Sunday meeting?

Ans. I do not remember being present but at one meeting.

Ques. Do you remember the bank presidents being called together by him for the purpose of rendering assistance to the banking association prior to this Sunday meeting?

Ans. It is not very fresh on my mind, but I may have attended such a meeting.

Ques. Who invited you to this Sunday meeting?

286 Ans. I cannot recollect distinctly.

Ques. Was it Mr Blache, the cashier of the banking association?

Ans. I cannot recollect who did. I know Mr Schneider and Mr Cavaroc came to see me, but who specially invited me to that meeting I do not remember. My mind is not clear on that point. I know I went there and found all the gentlemen there.

By Mr Beckwith, for complainant:

Ques. How long prior to this Sunday meeting had you been aware of the fact, as a banker, that the Insurrance Association and the New Orleans National Banking Association had been the one drawing and the other endorsing drafts?

Ans. I think these bills of the insurance association had been on the market here for a year.

Ques. Was it not considered kiting?

Ans. We could not understand it exactly. We considered the insurance association good; it had very good credit; and we supposed it was some financial operation. You know people sometimes draw bills of credit, then cover them and make a handsome profit. For instance, if you draw for sixty days in the spring of the year, at the end you may cover and make a profit.

Ques. Is not that an extraordinary financial transaction for an insurance company to embark in?

Ans. Well, I should say it was.

Ques. Would it not be an extraordinary charter to enable them to enter into this?

287 Ans. Well, we considered M'r Cavaroc as rather an extraordinary man, and this business seemed to be of the Cavaroc style.

Ques. At this meeting on Sunday was any investigation made by you bank presidents into the authority of the insurance association to draw these drafts?

Ans. Yes, sir; I think we did. I thought she had a perfect right to do a banking business. Her charter is a remarkable one. It is not clear to my mind, but I think she could do a banking business; anyhow she could borrow money and give security for it.

Ques. At this meeting on Sunday was there a statement of the condition of the New Orleans National Banking Association submitted to you?

Ans. No, sir.

Ques. Are you sure of it?

Ans. He had no statement. I think Mr. Cavaroc had his tickler there, and we looked over his portfolio.

Ques. The portfolio of the banking association?

Ans. I think he had the tickler of the bank up there to show to a certain extent the condition of the bank.

Ques. Did you look over and examine it as to the insurance association?

Ans. No, sir; we did not. It was a question of borrowing money.

Ques. Was it not discussed in that meeting whether you would make the loan to the banking association, or whether you would make it to the insurance association, and did not you presidents determine to loan to the insurance association because it gave better security, to wit, a mortgage on the bank building?

288 Ans. I do not remember that. I think the question was to loan to the insurance association on the security the association could offer.

Ques. Did you arrive at this room where the meeting was held before the discussion or proceedings commenced?

Ans. They were discussing it at the time I got there and kept on in it.

Ques. You were not there at first?

Ans. No, sir; I was not there at first. I got there when they were in session talking about the matter. That is my recollection of the matter.

Ques. How did you understand this money that you advanced or did loan to the insurance association, on the credit of a mortgage on its building, was to be used? Was it placed in Europe in time to prevent the protest of these bills having the endorsement of the New Orleans National Banking Association?

Ans. Well, of my own right, I sold a bill of £20,000 sterling to the insurance association, which they remitted at once. It was distinctly understood by me—I don't know about the other gentlemen—that it was to prevent these bills coming back. And, as I told you, it was collaterally for the bank too, but the State National Bank had no transactions with the New Orleans National Banking Association.

Ques. Were the banks of the city, at the date of this meeting on Sunday, generally strong in cash on hand and in an ability to meet the run of depositors?

Ans. I think they were in a very good condition.

Ques. No nervousness in their condition ?

Ans. No, sir ; not the slightest.

289 Ques. A run on Cavaroc's bank then, you think, would not have affected other banks ?

Ans. Well, I do not know ; I cannot say. A run on any one bank might cause a distrust of the others. We have seen that since. The failure of the Citizens' Bank caused a run on the Bank of America ; but things were in a very good condition during 1873 up to September.

By Mr. Rouse :

Ques. Were you aware that during the month of June, 1873, the New Orleans National Banking Association was losing its deposits very rapidly ?

Ans. No, sir ; I was not.

Ques. Were you aware of the fact that it was borrowing money and discounting its portfolio to a very large extent ?

Ans. No, sir.

Ques. Did you hear of its borrowing early in June from the National Park Bank of New York $150,000 ?

Ans. I did not.

Ques. Had you heard of its discounting some $40,000 of its portfolio with the Bank of America in the month of June, 1873 ?

Ans. I did not hear of it, I think.

Ques. Did you hear of its discounting a large portion of its portfolio with the Mutual National Bank ?

Ans. I was told by M'r Fourchy that it had discounted.

Ques. Were you aware that it discounted a portion of its portfolio with the Germania National Bank in June, 1873 ?

290 Ans. I do not recollect about the Germania National Bank.

Ques. Did you purchase any of its time excharge during the summer of 1873 ?

Ans. I did not. I was not satisfied with the character of these operations, and I declined to purchase them.

Ques. They were offered to you then ?

Ans. Yes, sir ; they were on the market ; the insurance association and the National Banking Association also.

SAM'L H. KENNEDY.

Subscribed and sworn before me March 3d, 1875.

L. A. WOOLFLEY,
Com'r of the Circuit Court of the U. S., Dist. of Louisiana.

Examination adjourned to March 6th, 1875, and then closed.

291 Depositions of Ch's Cavaroc & George Jonas, taken on behalf of defendants in the case of John Cockrem, receiver of the New Orleans National Banking Association vs. Ch's Cavaroc & Son, No. 7064, U. S. circuit court, offered in evidence by defendants in this case.

NEW ORLEANS, *February* 27, 1875.

Testimony resumed.

CHARLES CAVAROC, a witness produced, sworn, and examined on behalf of defendants, deposes and says :

By M'r CLARKE :

Ques. You have been president of the New Orleans National Banking Association ?

Ans. Yes, sir.

Ques. From its origin to its failure ?

Ans. Yes, sir.

Ques. And you were president for some time of its predecessor, the Bank of New Orleans ?

Ans. Yes, sir.

Ques. Do you know of any arrangement between the New Orleans National Banking Association and the Société de Crédit Mobilier with reference to exchange made in July, 1873 ?

Ans. Yes, sir; through the exertions of my son it was made.

Ques. Through the agency of your son, who was in Paris at the time ?

Ans. Yes, sir.

Ques. That negotiation was conducted in writing, was it not ?

Ans. Yes, sir.

Ques. You recognize these documents as the correspondence in relation to it ?

Ans. Yes, sir.

292 Defendants offer in evidence the correspondence brought in by M'r Thomas Allen Clarke under the call made upon him by the solicitors for complainant. (Exhibit A 18 to A 28, inclusive.)

Ques. This is your son's letter, dated July 11, 1873, to the Crédit Mobilier, and marked "Exhibit A 18 ?"

Ans. Yes, sir; that letter was written by my son in Paris.

Ques. There is a press-copy of the letter of response by the Crédit Mobilier of the 12th July, 1873 ?

Ans. Yes, sir.

Ques. And these are the telegrams in connection with that correspondence which have been produced here, marked "Exhibits A 6, A 7, and A 8 ?"

Ans. Yes, sir.

Ques. Pursuant to that agreement, did the bank draw on the Crédit Mobilier ?

Ans. Yes, sir.

Ques. Were there securities deposited in the hands of C. Cavaroc & Co., in accordance with the arrangement ?

Ans. Yes, sir.

Ques. When was a list made out and forwarded by you to the Crédit Mobilier of the 19th August ? Is that the letter, Exhibit A 25, containing the list at that time forwarded ?

Ans. Yes, sir.

Ques. The list Exhibit B 1 seems to have been forwarded on the 19th August, 1873; does that letter explain the reason for the delay in forwarding that list ?

Ans. Yes, sir; the letter explains itself.

Ques. At what time were the securities placed in the hands of C. Cavaroc & Son ?

Ans. A few days afterwards.

Ques. After what ?

293 Ans. After the day we drew the drafts.

Ques. How were these securities selected; or were they selected by you ?

Ans. I think they were selected by M'r DeArmas, the note-clerk.

Ques. And handed to you in what form; to the order of your house, C. Cavarac & Son ?

Ans. Yes, sir.

Ques. In an envelope ?

Ans. Yes, sir; in one envelope.

Ques. There seems in this list, according to the statement of M'r DeArmas, securities that were issued after the date of the drawing of the drafts; how do you account for that fact?

Ans. Securities which were made after the drawing of the drafts?

Ques. Yes; securities that were made after the 12th July?

Ans. It does not appear by the statement; I do not remember it.

Ques. When was this document that you forwarded on the 19th of August made up?

Ans. A few days after we had drawn on them. I do not remember how many days.

Ques. Do you or not remember any direction on the 19th of August to prepare the document containing the securities?

Ans. Yes, sir; I remember, when we drew the drafts upon the bank, that I told M'r DeArmas to prepare a list, or prepare the securities to protect the Crédit Mobilier for the amount; but what date it was I cannot say positively.

294 Ques. About how near to the 12th of July?

Ans. A few days after it; maybe the same day. I do not remember.

Ques. Was there a list prepared by him of these securities?

Ans. Yes, sir.

Ques. What became of that list?

Ans. M'r DeArmas, I think, had the list.

Ques. Is this the list, marked "Exhibit B 1?"

Ans. Yes, sir; that is the list that I forwarded to the Crédit Mobilier.

Ques. Does this list B 1 represent the state of the securities at the time it was forwarded?

Ans. Yes, sir.

Ques. Were there any other securities added or not after that period?

Ans. Yes, sir; but I do not remember what amount; but a large amount was added. Still we had securities sufficient to cover the Crédit Mobilier.

Ques. At what time was that done?

Ans. I do not know; I have no idea.

Ques. Did you or not retain these securities in your hands?

Ans. Yes, sir.

Ques. Did any of them fall due during the time?

Ans. Yes, sir.

Ques. What was done with the money?

Ans. The money was put into the cash of the bank, and we put in some other securities.

Ques. Were any of these lists handed to you?

Ans. They were prepared by M'r DeArmas, the note-clerk.

295 Ques. Did you or not forward to the Crédit Mobilier or at any time subsequent lists?

Ans. I do not remember. The correspondence is there.

Ques. The correspondence is in the custody of the receiver?

Ans. Yes, sir.

Ques. Which would show whether or not the bank did forward any?

Ans. Yes, sir.

Ques. Did C. Cavaroc & Son forward any other lists?

Ans. No, sir.

Ques. At the time of the institution of this suit here, or shortly after, were there any in your hands or not?

Ans. No, sir.

Ques. Do you recognize this document, Exhibit C, filed on February 2, 1874, with the answer of the Société de Crédit Mobilier?

Ans. Yes, sir.

Ques. What is it?

Ans. A list of the notes held for account of the Crédit Mobilier coming from the bank at the time suit was commenced?

Ques. It was the state of the account at that time?

Ans. Yes, sir.

Ques. And that is the list of the notes that you had at that time?

Ans. Yes, sir.

Ques. How long had these notes been in your hands?

Ans. It was before the failure of the bank, of course.

Ques. That list comprised what?

Ans. All the notes we held for account of the Crédit Mobilier.

296 Ques. Were they the original notes that were first put in there?

Ans. All but very few.

Ques. How did you receive those that were not original notes?

Ans. From M'r DeArmas.

Ques. In lieu of other notes?

Ans. Yes, sir.

Ques. What was the course of things in relation to these securities from the time of their being first received up to the time of the institution of this suit?

Ans. I told M'r DeArmas, the note-clerk, to pay attention and see that the Crédit Mobilier had always ample securities, and when one note was paid another should be used to replace it, so that the Crédit Mobilier should be always secured.

Ques. And this list is the result of it?

Ans. Yes, sir.

Ques. Do you know anything about the details; what special securities were paid from the original list, and what were put in their places?

Ans. No, sir.

Ques. How were these substitutions made?

Ans. By M'r DeArmas; I told him to keep the Crédit Mobilier always covered, so that when we used one note he put another in its place.

Ques. And this list C is the result as handed to you by him?

Ans. Yes, sir.

Ques. Did or not the bank draw for this sum of money upon the Crédit Mobilier?

Ans. Yes, sir.

297 Ques. Had you any previous transaction with the Crédit Mobilier?

Ans. No, sir.

Ques. This was a new business entirely?

Ans. Yes, sir.

Ques. What was the general credit of the New Orleans National Banking Association at that time?

Ans. So far as I am concerned, I thought the bank in a very good condition. I thought the bank was in need of help, but I never believed the bank was in a bad condition, because at the last moment I gave it the whole securities of my house to a very large amount, believing always that something would come to hold me back.

Ques. What was the occasion of the embarrassment of the bank?

Ans. The shrinkage of everything in the city: merchants were failing; every day we had some new failures; and the failure of the crops.

There were merchants here that we thought very good, who could not pay their notes.

Ques. You knew of the condition of the bank by your own observation of it?

Ans. Yes, sir. I never thought the bank was in an insolvent condition. I thought that whatever could happen to the bank, even if it had to suspend, that it had fully the means to pay all its liabilities, up to the last moment.

Ques. The bank suspended at what time?

Ans. The 5th or 4th October, 1873.

Ques. Prior to that time were you or not receiving deposits and paying checks?

Ans. Yes, sir.

298 Ques. And acting in general in connection with the clearing-house?

Ans. Yes, sir.

Ques. Did you or not draw bills of exchange, foreign and domestic, during the period from 1st May to the time of the suspension?

Ans. Yes, sir.

Ques. Freely or not?

Ans. Yes, sir.

Ques. Were these bills or not current in the market?

Ans. Yes, sir.

Ques. Had you a correspondent in New York?

Ans. Yes, sir.

Ques. Upon whom you drew bills of exchange and checks?

Ans. Yes, sir.

Ques. What was the condition of the credit of the bank with regard to that during the time I have mentioned?

Ans. I thought it was very good, because we always drew large amounts of exchange on New York, on France, and London. Up to the moment our exchange sold freely.

Ques. Up to the moment of the suspension?

Ans. Yes, sir.

Ques. Did you suspend with the rest of the banks in the city at the time of the panic in 1873?

Ans. Yes, sir.

Ques. Did you or not continue in the clearing-house up to the 3d October, 1873?

Ans. Yes, sir.

Ques. During all the period prior to your suspension, from May, you received deposits and paid out money?

Ans. Yes, sir.

299 By M'r Fuselier:

Ques. In the statement of the securities deposited for the Crédit Mobilier, the last one referred to in your testimony, were there not some notes, renewals which were set apart at the time of the first deposit?

Ans. Yes, sir.

(Complainant objects to the question as leading, and being objected to the question is withdrawn.)

Ques. You have explained how some notes which were in the original list forwarded by you on or about the 19th of August happened to be in the statement last referred to by you in your testimony; stating that some of them were notes which were set apart in place of the notes that were paid, and the funds accruing therefrom put into the general funds of the bank; now, were there or not, in that last statement, notes and securities of different origin? And, if so, state their origin.

Ans. Yes, sir; notes from the beginning were renewals all the time up to the failure of the bank.

By M'r Clarke:

Ques. As regards the other notes, what was their origin, notes other than renewals?

Ans. Notes held by the bank in the beginning.

Ques. Were they or not the result of collections of the original notes?

Ans. Some of them were.

By Mr. Fuselier:

300 Ques. You stated that the list dated the 12th July had been forwarded on the 19th of August in a letter of yours to the Crédit Mobilier. There appears to be on that list (Exhibit B) notes which must have come into the bank subsequent; please state, if you know, the origin of these notes, and how that happened.

Ans. I don't know; I told M'r DeArmas to select paper to a certain amount, and to hand it to me in an envelope.

Ques. That was a few days after the 12th?

Ans. Yes, sir.

Ques. Supposing any of that paper that was selected on the 12th July had matured between that date and the 19th of August; or is there any such paper?

Ans. I don't know; there may be.

Ques. If such was the case, what would have been done with such paper that matured between the 12th July and the 19th August?

(Complainant objects to the question.)

Ques. Do you know whether, between the 12th July and the 19th August, any of the notes set apart for the security of the Crédit Mobilier did mature?

Ans. I think so; I am not positive; but I think so.

Ques. Such notes maturing, what was done with the proceeds?

Ans. The money was paid to the bank, or paid into the cash of the bank, and some other notes put in the place of those maturing.

Ques. Do you know whether or not there were any renewals during that period of the notes originally set apart?

Ans. I think so; I think there were more renewals than payments.

301 Cross-examined by M'r Rouse:

Ques. Have you any positive knowledge of the subject of M'r Fuselier's last inquiry?

Ans. No, sir; but I think it was so.

Ques. The DeArmas that you speak of in your testimony was the note-clerk of the bank?

Ans. Yes, sir.

Ques. The list which has been introduced in connection with your testimony, and which you say you forwarded to the Crédit Mobilier on the 19th of August, is dated July 12, 1873; will you state how it had that date instead of its true date?

Ans. No, sir; because I gave orders to M'r DeArmas, or may be to M'r Blanche, I don't know whom, to have the list made.

Ques. You do not remember why it was antedated?

Ans. No, sir.

Ques. You have stated that you thought the bank was in a solvent condition during the summer of 1873?

Ans. Yes, sir.

Ques. Did you not lose a great many deposits during the month of June, 1873?

Ans. Yes, sir.

Ques. Was it not necessary for the bank to borrow large sums of money in order to meet the calls on its deposits?

Ans. No, sir; the bank never borrowed any money in June.

Ques. Did not the bank borrow from the National Park Bank of New York $150,000 in the month of June?

Ans. Yes, sir.

302 Ques. Did not the bank discount a portion of its portfolio with the Bank of America in the month of June, 1873, to the amount of $40,000, or more?

Ans. I think so.

Ques. Did not the bank also discount a portion of its portfolio in the month of June, 1873, at the Mutual National Bank?

Ans. A few thousand dollars; yes, sir.

Ques. Did not the bank on that occasion ask $200,000, and get only $25,000?

Ans. Yes, sir.

Ques. Did not the bank also discount a portion of its portfolio with the Germania National Bank in the month of June, 1873?

Ans. I do not remember.

Ques. You are not positive?

Ans. No, sir; I think neither with the Merchants' Mutual Bank. I think it was the insurance association, and if not, with the Bank of America.

Ques. But you did discount a large amount of your portfolio with financial institutions during the month of June, 1873?

Ans. I do not remember. I think it was all for the New Orleans Mutual Insurance Association; but these are facts, and the books are there.

Ques. Do you remember a meeting of bank presidents at the office of the National Banking Association towards the close of the month of May, 1873?

Ans. Yes, sir.

Ques. At which you solicited assistance for the banking association?

Ans. Yes, sir.

303 Ques. Do you remember that on the following Saturday the bank was without funds to meet the checks of depositors, or pay its balances at the clearing-house until a new account was opend with a deposit of $25,000 in money by M'r Clarke?

Ans. Yes, sir; I remember when M'r J. S. Clarke came the bank had a very little amount of cash; but I took the $25,000 from M'r Clarke and handed it to M'r DeArmas, the paying-teller, telling him that in case anything should happen I did not want M'r Clarke to lose; and I told M'r DeArmas not to pay a cent of it to anybody, but keep it for M'r Clarke. We paid our depositors as they came, but this money was held as the sacred deposit of Mr. Clarke.

Ques. How long was it so held?

Ans. A few days after that M'r Clarke came and got it back; but on the day that he deposited it I remember that the bank was very weak. I mean by that that the bank would pay its depositors as they were coming every day, but this $25,000 was kept aside, as I told M'r DeArmas, because I said if the bank is to go I did not want this $25,000 used to pay others.

Ques. Do you remember another meeting of bank presidents held at your solicitation on the first day of June, 1873, which was Sunday?

Ans. Yes, sir.

Ques. Do you remember stating to M'r Blache, the cashier, on that morning, and before that meeting, that unless the banks came to your assistance that you must return to M'r Clarke the money that he had deposited the day before?

Ans. No, sir.

304 Ques. Do you remember making any statement in connection with that deposit to M'r Blache on the question of returning it unless you gained assistance?

Ans. No, sir. On the same day I gave instructions to M'r DeArmas I said: "Here is a deposit of $25,000, but if anything should happen to the bank that money should go back to M'r Clarke."

Ques. At that meeting of bank presidents on Sunday, June 1, 1873, did you not exhibit a statement of your condition to them?

Ans. It may be so, but I do not remember. I must have done so, but I do not remember.

Ques. Did you ask assistance from them in the way of a loan or a discount?

Ans. Yes, sir.

Ques. Did you get any assistance from the Louisiana National Bank or the State National Bank?

Ans. Yes, sir; but not for the bank.

Ques. I am asking you about the bank only.

Ans. No, sir.

Ques. Was not the bank in the month of July, at the time these negotiations were pending with the Crédit Mobilier, very much pressed for current funds?

Ans. Yes, sir.

Ques. And did not M'r Rigney, the vice-president of the State National Bank, insist upon immediate payment to that bank of a sum of money which had been borrowed, or for some other indebtedness?

Ans. No, sir; not to my recollection.

Ques. Did you not ask from him three days' time to raise the money?

Ans. For the bank?

Ques. Yes.

305 Ans. I don't remember. I do not think for the bank.

Ques. Did you sell the exchange which you drew on the Crédit Mobilier in the city of New Orleans?

Ans. No, sir.

Ques. Why did you not?

Ans. Because we could have a better price for it in New York. It was impossible for any bank here to buy such an amount of exchange.

Ques. Who was your correspondent in New York?

Ans. Schuchardt & Sons.

Ques. During the month of September, was the bank able regularly to meet its exchanges at the clearing-house?

Ans. No, sir.

Ques. Did it not often have to give what is called cashier's checks in settlement of daily balances?

Ans. No, sir; but because we were compelled to give securities.

Ques. I am speaking of the time prior to the suspension.

Ans. So am I. As soon as the clearing-house was made, it was decided that any bank indebted to the clearing-house should furnish securities, not cashier's checks, and for that reason, although I knew that the bank was in a weak condition, I never thought for a moment but that if the bank suspended it would be able to pay its liabilities.

Ques. Did your firm not furnish securities for assisting the bank ?

Ans. Yes, sir.

Ques. Would it not have failed to make its clearings but for such relief?

Ans. Yes, sir.

306 Ques. Was not a large portion of the portfolio of the bank worthless, or comparatively so ?

Ans. Yes, sir; and it was for that very same reason that the bank was in a weak condition, because our portfolio was almost worthless by the failure of houses in this city.

Ques. The list which you have introduced here this evening amounts to $220,000 in securities. Will you please state why the additional $100,000 was taken out of the portfolio of the bank and placed to the credit of the Crédit Mobilier ?

Ans. Yes, sir; because I thought this $200,000 would not cover the Crédit Mobilier.

Ques. When did you arrive at that conclusion ?

Ans. I cannot say; but when I saw these notes always renewed, we could not rely on their payment, and not wishing that the Crédit Mobilier should loose on their loan, I asked M'r DeArmas to be sure and protect the Crédit Mobilier, but I cannot say when.

Ques. How long before the failure ?

Ans. It was some time before the failure.

Ques. It was not prior to the 19th of August. Had you forwarded the list at that time ?

Ans. No, sir.

Ques. Did you ever forward such a list of securities prior to the failure of the bank ?

Ans. I think so.

Ques. How long prior to the failure ?

Ans. I do not remember now.

Ques. Please look at Exhibit C, annexed to the answer of the Crédit Mobilier, and state whether that is the list made subsequent to the 19th August.

307 Ans. Yes, sir; it is.

Ques. You cannot remember when that list was made ?

Ans. No, sir; but I know it is the list.

Re-examined by M'r Fuselier :

Ques. When, on the 19th of August, this statement was dated, did you give any orders to the cashier to antedate it to the 12th July ?

Ans. No, sir.

Ques. Please look at the document marked Exhibit B, annexed to your answer, and also Exhibit C, annexed to your answer in this suit, filed on May 6th, 1874, and state whether or not they show the correct statement of the condition of the trust in favor of the Crédit Mobilier in your hands at the time this answer was made.

Ans. All this is in the handwriting of my son, who will testify about it better than I can.

Ques. On your cross examination there has been raised a question of a loan made, on or about the first day of June, by several banks of the city. Was that loan made for the New Orleans National Banking Association or the New Orleans Insurance Association?

Ans. I told M'r Rouse it was not made for the bank, but for the insurance association, but M'r Rouse stated that he had proof that it was made for account of the bank; but I think all these loans were made for account of the insurance association. I know the money given by the Germania National Bank, M'r Kennedy of the State Bank, and M'r Oglesby, was given to the insurance association.

Ques. Did you or not, at that time, get any relief from these banks of New Orleans for the New Orleans National Banking Association?

308 Ans. No, sir; I do not think I did; I think it was for the insurance association.

Ques. Was not the New Orleans Insurance Association, at that time, overdrawn at the bank?

Ans. Yes, sir.

Ques. How much?

Ans. I do not remember, but I think it was a large amount.

C. CAVAROC.

Subscribed and sworn before me February 27th, 1875.

F. A. WOOLFLEY,
Examiner.

309 NEW ORLEANS, *March* 2, 1874.

GEORGE JONAS, a witness produced, sworn, and examined on behalf of defendants, deposes and says:

By M'r Clarke:

Ques. You have been for a number of years president of the New Orleans Canal and Banking Co.?

Ans. Yes, sir.

Ques. And are still?

Ans. Yes, sir.

Ques. And were during the year 1873?

Ans. Yes, sir.

Ques. Was your bank doing business to a small or large extent?

Ans. Among the largest in the city.

Ques. Dealing in exchange?

Ans. Yes, sir.

Ques. And discounting notes?

Ans. Yes, sir.

310 Ques. Had you an opportunity of knowing of the credit of the New Orleans National Banking Association during the year 1873?

Ans. Yes, sir.

Ques. What was its credit during that time?

Ans. It stood during that time, as far as I know, the same as other banks. We bought large amounts of exchange from that bank up to September, 1875. The general suspension took place to September.

Ques. What was called the panic time?

Ans. Yes, sir.

Ques. This was previous to the panic?

Ans. Yes, sir.

Ques. Are you aware of its dealings with others than yourself; that it bought and sold exchange?

Ans. Yes, sir: I am aware of two other transactions that took place in September.

Ques. How late did you buy the exchange?

Ans. I have got a memorandum in my pocket of purchases we made from that bank through brokers during the whole summer of 1873. The last purchase we made was on the 17th September, 1873. I bought $20,000 from them in a check on New York, and on the 20th August, $15,000.

Ques. Your bank was a member of the clearing-house?

Ans. Yes, sir.

Ques. What standing had the New Orleans National Banking Association in the clearing-house?

Ans. It stood in the clearing-house until its suspension like the other banks.

Ques. And made its settlements?

Ans. Yes, sir.

311 Ques. Was your institution applied to by it at any time for assistance?

Ans. No, sir.

Cross-examined by M'r Rouse:

Ques. Were these bills which you purchased on Schuchardt & Sons secured in any way?

Ans. No, sir; clear bills.

Ques. Were they sight-bills?

Ans. Yes, sir.

Ques. Did you not know that the New Orleans National Banking Association had been authorized by Schuchardt & Sons to draw these bills? Had you not such information from Mr. Cavaroc or the cashier of the New Orleans National Banking Association?

Ans. No, sir; I bought them from brokers that knew nothing of the case.

Ques. Did you not know that they had general authority to draw on Schuchardt & Sons?

Ans. No, sir.

Ques. On the 17th September would you have bought a sixty-day bill of the New Orleans National Banking Association without security?

Ans. I would not buy a sixty-day bill on New York from any bank.

Ques. Would you have bought a sixty-day bill from that bank?

Ans. On London? Yes, sir.

Ques. Without previous acceptance?

Ans. Yes, sir. During the season of the year when we are buying sterling bills, I was in the habit of buying them, but in the summer they never sell them.

312 Ques. You heard, in common with other financial men, the position that bank was in, and the rumors affecting its solvency?

Ans. I did not. If I did I would not have bought its bills.

Ques. Did you spend much of your time in the city?

Ans. Yes, sir; I did. I went over the lake every Saturday and came back every Monday.

Ques. Were you present at a meeting of bank presidents about the last of May or the first of June at the office of the New Orleans National Banking Association?

Ans. No, sir.

Ques. You did not attend that meeting?

Ans. No, sir.

Ques. Did you hear of it?

Ans. I heard of it after the bank suspended in the fall.

Ques. Did you not hear of it at the time?

Ans. No, sir. It did not apply to us.

Ques. Did your cashier not attend one of these meetings?

Ans. No, sir.

Ques. Are you positive about the statement that your cashier did not attend?

Ans. Yes, sir; if he did he would have certainly informed me. He would not attend at such a meeting without informing the president, and I never heard of it.

Ques. How do you account for the fact that when the rumors were so general in the community that the New Orleans National Banking Association was insolvent during the summer of 1873, a fact known to nearly all the financial men in the city, that you did not hear of it?

(M'r Clarke, for defendants, objects.)

313 Ans. I do not think it is possible that there could be such a rumor. My impression is derived from this: that all the banks, the Louisiana National and the Hibernia Banks would not buy their exchange on New York if they considered them insolvent, and they had been buying it during the summer.

Ques. Did you not buy exchange from the Crescent City National Bank before its insolvency?

Ans. Probably.

Ques. Did you not have unmatured exchange at the time of its failure?

Ans. Yes, sir; on London.

Ques. And did not the fact of its insolvency become known generally some thirty days before the maturity of the bills.

(M'r Clarke, for defendants, objects.)

Ans. No, sir; not until the failure of de Lizardi & Co., I never dreamed of it, and I do not believe any other bank officer did. When de Lizardi & Co. failed, of course we all had apprehensions.

Ques. Were you aware of the fact that in the month of June the New Orleans National Banking Association was borrowing money generally, and discounting its portfolio in order to pay its depositors?

Ans. No, sir; I never heard of it.

Ques. Were you aware that there was a great run upon the bank in the month of June?

Ans. No, sir.

Ques. You never heard of that?

Ans. No, sir.

314 Ques. Prior to the failure of the New Orleans Banking Association, did not your bank often have to take cashier's checks from the New Orleans National Banking Association in settlement of daily balances?

Ans. Not oftener than any other bank. That is frequently done, and is a common thing.

Ques. You say it is a common thing for daily balances to be settled with cashier's checks?

Ans. Yes, sir; we both give them our own and receive others.

Ques. Was it a quite common thing prior to the panic in 1873?

Ans. Yes, sir.

GEO. JONAS.

Subscribed and sworn to before me March 2d, 1875.

F. A. WOOLFLEY,
Examiner.

315 EXHIBIT AA 1.

C. Cavaroc, president. Henry Blache, cashier.

NEW ORLEANS NATIONAL BANKING ASS'N,
New Orleans, June 11th, 1873.

WILLIAM K. KITCHEN, Esq.,
President National Park Bank, New York:

DEAR SIR: I am favored to-day with your kind letter of the 7th inst. offering to discount, upon specified conditions, the notes of this bank to the amount of $150,000.

We note that this transaction is a departure from the established rules of your bank, and we appreciate the favor and thank you for this mark of confidence.

In accordance with your instructions, I herewith enclose two notes payable to your order, due 10th and 20th October next, each for the sum of seventy-five thousand dollars, the proceeds of which you will please place to the credit of the bank.

I further enclose statement of $170,084.42 of bills receivable, held in trust and as collateral security for the punctual payment of the obligations of the bank, with a receipt for same. As fast as the bills receivable will mature and be paid, I beg the privilege of substituting new collaterals of which due notice will be given you.

Trusting there will be no objection on your part, I remain,

Yours, very respectfully,

C. CAVAROC, *President.*

316 EXHIBIT AA 2.

William K. Kitchen, president. Ja's L. Worth, cashier.

THE NATIONAL PARK BANK OF NEW YORK,
June 7th, 1873.

CHARLES CAVAROC, Esq.,
Pres't, New Orleans:

DEAR SIR: M'r E. H. Reynes has made an application for a loan to the New Orleans National Banking Association to be secured by the bills receivable of the bank. We will loan you $75,000 payable Oct. 10th, and $75,000, payable Oct. 20th, next. As collateral to these notes, select $170,000 of your bills receivable of best known names; retain them as deposited by us, sending us a schedule and receipt for them—as held in trust for us and subject to our order. This arrangement is out of our usual custom, but will be satisfactory to us and we presume will be also to you. If so, send us the notes as stated above and we will discount them and pass the proceeds to your credit.

Yours, truly,

W'M K. KITCHEN,
President.

317 EXHIBIT AA 3.

W'm K. Kitchen, president. Ja's L. Worth, cashier.

THE NATIONAL PARK BANK OF NEW YORK,
June 17th, 1873.

C. CAVAROC, *Pres't, New Orleans:*

DEAR SIR: We have your favor 11th inst. with enclosures as stated. We have discounted the notes as per memorandum enclosed. The notes should have been made payable in New York. Please instruct us to hold them here, and charge to your account when due. You can make the change of collateral you mention, advising us of the same and that you hold the new paper the same as the old, viz, in trust.

Yours, very truly,

W'M K. KITCHEN,
President.

318 UNITED STATES OF AMERICA,
District of Louisiana, ss:

I, Francis A. Woolfley, commissioner of the circuit court of the United States, district of Louisiana, duly appointed by consent of parties to take the depositions of Charles Cavaroc and Samuel H. Kennedy, witnesses on the part of the defendants, do hereby certify that, on the days named in the depositions hereto annexed, I was attended at the office of J. D. Rouse, esq., No. 3½ Carondelet street, in the city of New Orleans, by the counsel and witnesses aforesaid; that the witnesses were duly sworn and examined and the depositions reduced to writing and read to the witnesses and by them subscribed in my presence; and that Exhibits AA 1, AA 2, and AA 3 were introduced in evidence in said cause during the taking of said depositions; and I further certify that the depositions of George Jonas & Cha's Cavaroc, taken on behalf of the defendants in the case of John Cockrem, receiver of the New Orleans National Banking Association vs. Cha's Cavaroc & Son et al., No. 7064 of the docket of the U. S. circuit court, district of Louisiana, were offered in evidence by the defendants in this case.

N. Orleans, April 9th, 1875.

F. A. WOOLFLEY,
Comm'r U. S. Circuit Court, Dist. of Louisiana.

319 *Motion and order case fixed.—Extract from the minutes, April term,* 1875.

NEW ORLEANS, *Saturday, May 22d,* 1875.

Court met pursuant to adjournment.

Present, Hon. W. B. Woods, circuit judge.

JOHN COCKREM, REC'R,
vs.
THE NATIONAL PARK BANK OF NEW YORK et al.
} No. 7072.

By consent of counsel this cause is set for trial on 27th instant at 11 a. m.

Hearing and order continuance.—Extract from the minutes of May 27th, 1875.

JOHN COCKREM, REC'R, N. W. CASEY SUBSTITUTED,
vs.
NAT. PARK B'K OF N. Y.
} No. 7072.

This cause was called for trial.

J. D. Rouse & J. R. Beckwith for complainant.

Clarke, Bayne & Renshaw for defendants.

When, after hearing the pleadings, the cause is continued till to-morrow at 11 a. m.

Agreement.—Filed May 28th, 1875.

Circuit court of the United States, district of Louisiana. In equity.

320 JOHN COCKREM, RECEIVER NEW ORLEANS National Banking Association,
Nicholas Casey, receiver, subrogated,
vs. } No. 7072.
NAT. PARK BANK OF NEW YORK ET AL.

It is hereby stipulated and agreed by and between the complainant and defendants that the printed copy of the depositions, proofs, and exhibits hereto annexed, printed under the direction of the clerk of this court, be filed and taken as the proofs, evidence, and exhibits in this cause as taken and returned by the examiner.

(Signed) CLARKE, BAYNE & RENSHAW,
For Defendants.
" J. R. BECKWITH,
Sol'r for Compl't.

Hearing and order continuance.—Extract from the minutes of May 28th, 1875.

JOHN COCKREM, REC'R, N. W. CASEY SUBSTITUTED,
vs. } No. 7072.
NAT. PARK BANK OF N. Y. ET AL.

The trial of this cause was resumed, and, after hearing the evi-
321 dence and argument, the same is continued till Monday, 31st instant, at 11 a. m.

Hearing and order continuance.—Extract from the minutes of May 31st, 1875.

JOHN COCKREM, REC'R, N. W. CASEY SUBSTITUTED,
vs. } No. 7072.
THE NATIONAL PARK BANK OF NEW YORK et al.

The trial of the above cause was resumed, and, after hearing argument, the same is continued till to-morrow, June 1st, 1875, at 11 a. m.

Hearing and order continuance.—Extract from the minutes of June 1st, 1875.

JOHN COCKREM, REC'R, N. W. CASEY SUBSTITUTED,
vs. } No. 7072.
THE NATIONAL PARK BANK OF NEW YORK et al.

The trial of the above cause was resumed, and, after hearing argument, the same is continued till to-morrow, June 2d, at 11 a. m.

Hearing and submission of cause.—Extract from the minutes of June 2d, 1875.

JOHN COCKREM, REC'R, N. W. CASEY SUBSTITUTED,
vs.
322 NATIONAL PARK BANK OF NEW YORK et al.

The trial of the above cause was resumed, and, after hearing argument, the court took time to advise.

Decree.—Entered, filed, & signed May 28th, 1875.

United States circuit court, district of Louisiana.

JOHN COCKREM, RECEIVER OF THE N. O. NAT. B'k'g Association, N. W. Casey substituted,
vs.
NAT. PARK B'K OF N. Y. ET AL.
No. 7072.

This cause came on to be heard upon the bill, answers, replication, exhibits, and proofs, and was argued by counsel. On consideration whereof, for reasons assigned by the court in writing, it is ordered, adjudged, and decreed that complainant's bill be dismissed, and that the injunction heretofore issued be dissolved at complainant's costs.

(Signed) W. B. WOODS, *Judge.*

Motion and order granting appeal.—Entered and filed June 7th, 1875.

323 Circuit court of the United States, district of Louisiana. In equity.

JOHN COCKREM, RECEIVER OF THE N. O. NAT. Banking Ass'n, N. W. Casey substituted rec'r,
vs.
THE NATIONAL PARK BANK OF NEW YORK et al.
No. 7072.

On motion of said complainant herein, by J. D. Rouse and J. R. Beckwith, his solicitors, it is ordered that the said complainant be, and is hereby, allowed an appeal from the final decree rendered in this cause to the Supreme Court of the United States, returnable at the next term thereof, on the first day of said term, the same to operate as a supersedeas, upon said complainant's giving bond with good and sufficient surety, conditioned as the law directs, in the sum of one thousand dollars, and that this motion and order be entered of record in this cause at the present term of this court.

(Signed) W. B. WOODS, *Judge.*

324 *Bond for appeal.—Filed June 16th,* 1875.

UNITED STATES OF AMERICA:

Know all men by these presents that we, Nicholas W. Casey, receiver of the New Orleans National Banking Association, as principal, and John D. Rouse, as surety, are held and firmly bound jointly and severally unto the National Park Bank of New York, and to the commercial firm of E. H. Reynes & Bro., and E. H. Reynes and E. C. Reynes, in the sum of one thousand dollars, lawful money of the United States of America, to be paid to the said National Park Bank of New York, E. H. Reynes and Brother, E. H. Reynes & C. E. Reynes, their heirs, executors, administrators, and assigns, for which payment, well and truly to be made, we bind ourselves and each of us by himself, and each of our heirs, executors, and administrators, firmly by these presents, sealed with our seals, and dated the sixteenth day of June, in the year of our Lord eighteen hundred and seventy-five.

325 Whereas the above-named Nicholas W. Casey, receiver of the New Orleans National Banking Association, hath taken an appeal to the Supreme Court of the United States, from and to reverse the decree rendered by the honorable the circuit court of the United States for the fifth circuit, holding sessions in and for the district of Louisiana, in the suit of John Cockrem, N. W. Casey, substituted, receiver of the New Orleans National Banking Association, against the firm of E. H. Reynes and Brother, E. H. Reynes & C. E. Reynes, and the National Park Bank of New York, No. 7072 of the docket of said court, in equity:

Now, the condition of the above obligation is, that if the above-bounden Nicholas W. Casey, receiver of the New Orleans National Banking Association, shall prosecute his said appeal to effect, and answer all costs and damages if he shall fail to make good his plea, then this obligation shall be void; otherwise to remain in full force and virtue.

(Signed) NICHOLAS W. CASEY. [L. S.]
" JOHN D. ROUSE. [L. S.]

Signed, sealed, and delivered in presence of —

Approved.
(Signed) W. B. WOODS, *Judge.*

326 *Petition of Reynes & Harrison, receivers, for compensation, &c., and order thereon.—Filed July 2d, 1875.*

United States circuit court, district of Louisiana.

JOHN COCKREM (NOW N. W. CASEY, RECEIVER,)
vs.
NATIONAL PARK BANK OF NEW YORK.

To the honorable U. S. circuit court:

The undersigned receivers in the above case respectfully inclose a statement of amounts collected and disbursed by them, and request that you will grant an order authorizing them to draw such sum as they may be entitled to at this time.

New Orleans, July 1st, 1875.
(Signed) RICH'D F. HARRISON,
" E. H. REYNES,
Receivers.

No objection to an order by the court for further compensation to such an amount as the court thinks just. Defendants' attorneys concurring.
(Signed) J. D. ROUSE, *Sol'r for Compl't.*
" CLARKE, BAYNE & RENSHAW,
Sol'rs for Defendants.

327 *Order.*

Upon due consideration of the within petition, it is ordered that E. H. Reynes and R. F. Harrison, receivers, be each allowed the sum of nine hundred and thirty-four 61/100 dollars ($934 61/100) compensation.

New Orleans, July 2d, 1875.

(Signed) W. B. WOODS, *Judge.*

Statement of receivers.—Filed July 2d, 1875.

JOHN COCKREM, (NOW N. W. CASEY,) REC'R,
vs.
NATIONAL PARK BANK OF NEW YORK.

Total assets delivered to them $155,479 02

RECEIPTS.

1874.				
June 30.	For collections in cash on accounts of assets placed in their hands, including dividends on U. S. sixes collected prior to this date		$77,285 19	
July 1.	For dividend in gold on $6,000 U. S. sixes	1,800		
	" pem. on same, 17%	306		
		2,106		
	" N. Y. exc., 1/4%	5 25	2,111 25	
328 May 10.	For dividend of stock from N. O. Gas-Light Co. on 52 shares old stock, 14 shares new stock, @ 117, market value	1,638		
	" 1,000 N. Orleans City bond, valued	350	1,988	
	Total collections			81,384 44

In cash	79,396 44	
" stocks & bonds	1,988	at valuation.
	81,384 44	

DISBURSEMENTS.

Cost of $60,000 U. S. sixes by investment of funds		$71,603 99
Paid receivers on a/c		2,200
" for tin box & stationery		4 50
" pro. fees on note held by them		4 "
" State and city taxes and bankruptcy costs in claims vs. E. F. Mioton for his notes, $14,985, on property taken of him for the claim held equally with C. De Ruyter, receiver, who holds $15,000 of same series of notes—our half paid		2,271 20
329 Paid costs of court in this suit Aug. 2d, 1874	21 50	
May 12th, 1875	415 45	436 95
Total disbursed		76,520 64

Cash in bank	2,875 80
Stock & bond	1,988
	$4,863 80
R	81,384 44
D	76,520 64
Bal	4,863 80

New Orleans, July 1st, 1875.
(Signed) RICHARD F. HARRISON,
Receivers.

Amount collected to July 1		81,384 44
5 per cent is	4,069 22	
Have received $1,100 each on account	2,200	
	1,860 22	

JULY 1ST, 1875.

Petition from receivers for authority to compromise with J. Aldigé, and order thereon.—Filed July 23d, 1875.

To the honorable W. B. Woods, judge of the circuit court of the United States in and for the fifth circuit and the district of Louisiana.

The petition of Richard T. Harrison and E. H. Reynes, appointed receivers by this court in the matter of N. W. Casey vs. The National 330 Park Bank of New York, respectfully shows that, as receivers, they are the holders of a certain promissory note, dated New Orleans, Oct. 2d, 1873, made by P. Aldigé to the order of and endorsed by J. Aldigé, for six thousand dollars, payable on the 3d of January, 1874; that they have received from J. Aldigé the annexed application for compromise and settlement of said note by paying three thousand dollars cash; and, as appeared by their endorsement thereon, they (these petitioners) bel*ei*ve that it is for the interest of their trust and all concerned therein that the proposition be accepted.

Petitioners aver*s* that N. W. Casey, esq., receiver of the New Orleans National Banking Association, complainant, and the National Park Bank of New York, defendant herein, have been consulted, and that they in recommending that we should be authorized to accept the proposition of Mr. Aldigé, and settle with him on the terms offered; wherefore they pray your honor so to authorize them, and for all orders necessary and proper.

331 (Signed) RICHARD F. HARRISON,
" E. H. REYNES,
Receivers.

From the best information we can obtain, we bel*ei*ve that it is for the interest of all concerned that the application made by the receivers should be granted, and so respectfully recommend.

(Signed) CLARKE, PAYNE & RENSHAW,
Sol'rs for Nat. Park Bank.
" N. W. CASEY, *Receiver.*

Order.

AT CHAMBERS, *July 20th*, 1875.

On consideration of the foregoing petition and exhibits, it is ordered that said receivers be, and they are hereby, authorized to compromise and settle the claim against said Aldigé in the terms therein set forth.

(Signed) W. B. WOODS,
U. S. Circuit Judge, Dist. of La.

Annexed application of J. Aldigé.

NEW ORLEANS, *July 14th*, 1875.

Mess. E. H. REYNES & R. F. HARRISON, *Receivers:*

GENTLEMEN: You hold a note, made by my father and endorsed 332 by me, for six thousand dollars, now past due. You are aware that from the great losses we have sustained *that* we are unable to pay the same, and for the last few months have considered the propriety of making a surrender in bankruptcy, but this course would involve the destruction of our assets and deprive us of the aid of friends who are willing to help us if we can settle with our creditors.

We offer for compromise and settlement three thousand dollars cash, the best we can do.

I am, gentlemen, very respectfully, yours,
(Signed) J. ALDIGÉ.

After consultation with several prominent and well-informed men in the city, we are of opinion that, in the interest of the parties we represent, the above proposition should be accepted.

(Signed) RICH'D F. HARRISON,
E. H. REYNES,
Receivers.
N. W. CASEY,
Receiver of N. O. Nat. B'k'g Ass'n

333 UNITED STATES OF AMERICA:

Circuit court of the United States, fifth circuit and district of Louisiana.

CLERK'S OFFICE.

I, Francis A. Woolfley, clerk of the circuit court of the United States for the fifth circuit and district of Louisiana, do hereby certify that the foregoing 332 pages contain and form a full, complete, true, and perfect transcript of the record and proceedings had, together with all the evidence adduced, on the trial of the case of John Cockrem, receiver of the New Orleans National Banking Association, Nicholas W. Casey, substituted as receiver, versus National Park Bank of New York et als., No. 7072 of the docket, so far as the same now remain of record or on file in said court.

Witness my hand and the seal of said court, at the city of New Orleans, this 15th day of September, A. D. 1875.

[SEAL.] F. A. WOOLFLEY, *Clerk.*

I, W. B. Woods, United States judge for the district of Louisiana, do certify that Francis A. Woolfley, whose name is signed to the above certificate as clerk of the circuit court of the United States for the fifth circuit and district of Louisiana, was at the time of signing said certificate, and is now, the clerk of said court; that said certificate is in due form of law, and that full faith and credit are due to his official attestations as such clerk.

Given under my hand at the city of New Orleans, in said district, this 15th day of September, A. D. 1875.

W. B. WOODS, *Judge.*

334 THE UNITED STATES OF AMERICA:

Circuit court of the United States, district of Louisiana.

The President of the United States to the National Park Bank of New York and the commercial firm of E. H. Reynes and Brother, composed of E. H. Reynes and C. E. Reynes, greeting:

You and each of you are hereby cited, severally, and admonished to be and appear at a Supreme Court of the United States to be holden at the city of Washington on the second Monday of October next, pursuant to a motion & order for appeal of record, & filed in the clerk's office of the circuit court of the United States for the fifth circuit and district of Louisiana, wherein Nicholas W. Casey, receiver of the New Orleans National Banking Association, is complainant and appellant, and you are defendants and appellees, to show cause, if any there be, why the judgment rendered against the said Nicholas W. Casey, receiver, as in said motion mentioned, should not be corrected, and why speedy justice should not be done to the parties in that behalf.

Witness the honorable Morrison R. Waite, Chief-Justice of the Supreme Court of the United States, this 14th day of July, in the year of our Lord one thousand eight hundred and seventy-five.

W. B. WOODS, *Judge.*

335 (Indorsed:) United States circuit court. No. 7072. Nicholas W. Casey, receiver, vs. The National Park Bank of New York et al. Citation.

Marshal's return.

Received Jul. 14, 1875, by the U. S. marshal, and on the 26th of July, 1875, served a copy hereof on the National Park Bank of N. Y., by handing it to E. H. Reynes, the agent of said bank in this city of New Orleans.

S. B. PACKARD,
U. S. Marshal,
Per S. W. REED,
D'y U. S. Marshal.

On this 30th day of August, 1875, personally appeared before me, S. W. Reed, a deputy U. S. marshal for the district of Louisiana, and makes oath that he served a copy of the within citation as stated in his official return hereon.

S. W. REED,
D'y U. S. Marshal.

Sworn to and subscribed before me this 30th day of Aug., 1875.

F. B. VINOT,
Comm'r of U. S. Circuit Court, Dist. of La.

(Indorsement on cover:) No. 180. Nicholas W. Casey, receiver of the New Orleans National Banking Association, appellant, vs. The National Park Bank of New York et al. Louisiana C. C. U. S. Filed 11th October, 1875.

Supreme Court of the United States.

OCTOBER TERM, 1877.

No. 180.

◆

NICHOLAS W. CASEY, Receiver of the New Orleans National Banking Association—*Appellant*,

versus

THE NATIONAL PARK BANK OF NEW YORK Et Al.—*Appellees*.

Appeal from the Circuit Court of the United States—District of Louisiana.

Brief for Appellant.

◆

J. D. ROUSE,
CHARLES CASE,
Counsel for Complainant.

Clark & Hofeline, Book Printers, 112 Gravier St.

Supreme Court of the United States.

OCTOBER TERM, 1877.

No. 180.

NICHOLAS W. CASEY, Receiver of the New Orleans National Banking Association—*Appellant*,

versus

THE NATIONAL PARK BANK OF NEW YORK Et Al.—*Appellees*.

Appeal from the Circuit Court of the United States—District of Louisiana.

Brief for Appellant.

STATEMENT OF THE CASE.

The New Orleans National Banking Association, of which plaintiff is receiver, was organized under the provisions of the National Bank Act, approved June 3rd, 1864. For several months prior to its failure it was insolvent and notoriously embarrassed. It suspended cash payments Sept. 24, and altogether failed and suspended Oct. 4th, 1873. A receiver was appointed by the Comptroller of the Currency, and took possession October 27, 1873.

It appeared from the books of the bank, that among its assets at the time of its failure were notes and bills discounted amounting to $853,066.43. See Statement dated Monday morning, Oct. 6—R. p. 125. But when the receiver took possession, he discovered that nearly $800,000 of these assets were not in the bank. Inquiry developed the fact that they had been delivered to certain creditors of the bank or their agents, with the purpose of securing their several demands.

The commercial firm of E. H. Reynes & Brother, (defendants), had in their possession such assets of the bank, in notes and bills discounted, to the amount of $162,652,80, and fifty-two shares stock of New Orleans Gaslight Company, (p. 5), which they claimed to hold for account of the National Park Bank, of New York, (defendant.) to secure the payment of two promissory notes, made by the Banking Association, for $75,000 each

It appearing that all these assets were in the possession of the Banking Association about the time of its failure, and that no securities had been delivered at the time the debt was created, the transaction was clearly one prohibited by the Act of Congress, approved June 3d, 1864, section 52 of which is as follows:

SEC. 52. *And be it further enacted*; That all transfer of the notes, bonds, bills of exchange, and other evidences of debt owing to the Association, or of deposits to its credit; all assignments of mortgages, sureties on real estate, or of judgments or decrees in its favor; all deposits of money, bullion, or other valuable thing for its use, or for the use of any of its shareholders or creditors; and all payments of money to either, made after the commission of an act of insolvency, or in contemplation thereof, with a view to prevent the application of its assets in the manner prescribed by this Act, or with a view to the preference of one creditor to another, except in payment of its circulating notes, *shall be utterly null and void.*" 13 Stat., p. 115.

And thereupon said Receiver filed his Bill of Complaint, (p. 1.) in said Circuit Court, setting forth the foregoing facts, and charging that the delivery and transfer of said assets, were made and accepted after the commission of various acts of insolvency by said association, and in contemplation of the insolvency thereof, and with a view to give a preference to said National Park Bank over other creditors of said Association contrary to the provisions of the aforesaid statute.

The defendants in their answers, (pp. 12 and 23,) assert a pledge of the aforesaid assets to secure the payment of two notes for $75,000 each, held by the Park Bank.

Issue was joined, and the proofs show that upon the discount of the notes by the Park Bank, the President of the Banking Association forwarded a receipt signed by him in his official capacity for $170,084.42 as bills receivable; that said bills receivable were not removed from the bank, but were at first put into an envelope and handed to the president of the bank, who returned them to the cashier, in whose possession they remained a few days, when they were restored to the note clerk, who collected such as matured, charged the general cash of the bank, and credited notes and bills discounted with the proceeds; that no formal act of pledge was executed; that some substitutions were made in July, but none of the substituted notes were removed from the bank at the time, but remained in the custody of the note clerk; that the matter of borrowing money from the Park Bank was never brought to the attention of the board of directors, nor was the fact of the pretended pledge; that the notes sued for are generally not the same set aside in June; that no entries were made in the books, showing the disposition of such notes, but they were carried on the books and statements as assets under the head of "Notes and Bills discounted;" that the notes in question were not delivered to the agents of the Park Bank until October 6, 1873, the Association having failed the 4th of October; that the Gaslight stock was not delivered or transferred until October 8, and that the bank was insolvent and contemplating insolvency as early as June 1, 1873, and that its embarrassment was notorious.

Upon the hearing a decree was made dismissing the bill.

ASSIGNMENT OF ERRORS.

The plaintiff assigns for error generally, the decree of the Circuit Court, dismissing the bill. This error admits of several subdivisions which are assigned as follows, viz:

1. Said Court erred in upholding the transfer of the

assets of said bank, made in contemplation of its insolvency and with a view to give a preference to the defendant creditor over others.

2. Said Court erred in decreeing the validity of the pretended pledge set up by the defendants.

3. Said Court erred in decreeing the validity of the acts of the President of said bank, in the premises complained of, not within the scope of his authority as such, and which were not authorized by the Corporation, through its Board of Directors.

ARGUMENT.

I.

THE INSOLVENCY AND THE INTENT TO GIVE A PREFERENCE.

The prohibitory provisions of Section 52 of the National Bank Act, above set forth, are of the most sweeping and positive character, showing the intent of Congress to strike with nullity any and every device that would give one creditor any advantage over another.

The reported adjudications upon this section of the statute, so far as known, are confined to the present case, and one other hereinafter cited; but decisions upon the similar but much less stringent provisions of the Bankrupt Acts of 1841 and 1867, show that all the strictness required by its language must be given to it.

The 2d Section of the Bankrupt Act of 1841, declared conveyances or transfers of property, "*in contemplation of bankruptcy*," and for the purpose of preferring a creditor, void. 5 U. S. Stat., 442. The phrase "in contemplation of bankruptcy," is construed to mean in contemplation of a *state* of bankruptcy, or a known insolvency and inability to carry on business.

Hutchings vs. Taylor, 5 Law Rep., 289.

Arnold vs. Maynard, 2 Story's Rep., 349.

And is not limited to a contemplation of proceedings under the act.

Everett vs. Stone, 3 Story's Rep., 453.

Pulling vs. Tucker. 4 Barn. & Ald., 382.

"Insolvency" is defined as the state of a person who is insolvent or unable to pay his debts, or who in unable to pay his debts as they fall due in the ordinary course of business.

1 Bouvier's Dict., *verbo* Insolvency.

Toof vs. Martin, 13 Wall., 47.

Wager vs. Hall, 16 Wall.. 599.

Dutcher vs. Wright, 94 U. S. Rep., 557.

Under the Act of 1841, it was not necessary that the preferred creditor should know of the debtor's insolvency. The preference was void even if he were ignorant thereof.

Peckham vs. Burroughs. 3 Story's R. 544.

Everrett vs, Stone. 3 Story's R. 445.

Morse. vs Godfrey. 3 Story's R.. 364.

Arnold vs. Maynard. 2 Story's R., 349.

See also 4 Johns 536.

The Act of 1867. avoids a prefereuce if the debtor be in fact, at the time, insolvent, although he may not contemplate bankruptcy, if the creditor had reasonably cause to believe him insolvent.

Wager vs. Hall, 16 Wall, 600.

Forbes vs. How, 102 Mass., 435.

The strictness with which the clause "having reasonable cause to believe" is construed, clearly shows that in the absence of such a clause in the National Bank Act, the knowledge of the creditor is immaterial, and not a subject of inquiry.

Very slight evidence of an affirmative character of the existence of a desire to prefer one creditor to another may be sufficient to invalidate the whole transaction.

Wilson vs. City Bank, 17 Wall., 487.

The case of *Case, Receiver of Crescent City National Bank vs. Citizens' Bank*, was a bill in equity to set aside transfers made contrary to the provisions of Section 52 of the National Bank Act, and the Court said:

"It is only necessary that the insolvency should be in "contemplation of the bank making the transfer. The "party to whom the transfer is made need not know of, "or contemplate the insolvency of the bank which makes "the transfer."

2 Wood's Rep., 23.

THE EVIDENCE OF INSOLVENCY,

and of the notoriety thereof, in the same as that in the case of *Casey, Receiver, etc. vs. Cavaroc et al.*, No. 181 of this term, wherein both parties are represented by the same counsel as in this case ; and as both facts are deemed to be conclusively proven, by the evidence detailed in our brief therein, it is not necessary to repeat the same here.

The intent to prefer the Park Bank and the fact of such prefeernce, will be shown in connection with the futile attempts to give color of pledge to the transfer of assets; and this requires, first a statement of

II.

THE LAW OF PLEDGE.

1. The law of pledge prior to 1870.

In Louisiana the law of pledge is purely statutory. Until the act of 1852 it was wholly contained in the Civil Code of 1825, Title XX. Prior to the act of 1852 (La. Acts, 1852, p. 15), which was re-enacted in 1855 (La. Acts, 1855, p. 348), promissory notes could be pledged only by *written* act *passed before a notary public or registered in his office*. The first section of the act of 1855 is as follows, viz:

> "That when a debtor wishes to pawn promissory notes bills of exchange, stocks, obligations or claims upon other persons, he shall deliver to the creditors the notes, bills of exchange, certificates of stock, or other evidences of the claims or rights so pawned; and such pawn so made, without further formalities, shall be valid as well against third persons as against the pledgors thereof, if made in good faith."

This section was again re-enacted in 1866. La. Acts 1866, p. 266. The act of 1855 contained the following repealing clause, viz:

"That all laws contrary to the provisions of this act' and all laws upon the same subject matter, *except what is contained in the Civil Code and Code of Practice* be repealed."

The act of 1866 is a re-enactment of the act of 1855, except the repealing clause, which is as follows, viz:

"That all laws and parts of laws contrary to or conflicting with the provisions of this act be and the same are hereby repealed."

The act of 1852 contained no repealing clause.

After the passage of the act of 1866, the mode of making pledges was governed entirely by that act until the code of 1870, all the conflicting provisions of the code of 1825 being repealed. Ray's Revised Civil Code, enacted in 1870' contains the following provisions:

ART. 3156 [3123]. When a debtor wishes to pawn a claim on another person, he must make a transfer of it in the act of pledge, and deliver to the creditor to whom it is transferred the note or instrument which proves its existence, if it be under private signature, and must indorse it if it be negotiable.

ART. 3157 [3124]. The pawn invests the creditor with the right of causing his debt to be satisfied by privilege and in preference to the other creditors of his debtor, out of the product of the movable, corporeal or incorporeal, which has thus been burdened.

ART. 3158 [3125]. But this privilege shall take place against third persons, only in case the pawn is proved by an act made either in a public form or under private signature; provided such act has been recorded in the manner required by law; provided also, that whatever may be [in] the form of the act, it mentions the amount of the debt, as well as the species and nature of the thing given in pledge, or (h)as a statement annexed thereto of its number, weight and measure.

When a debtor wishes to pawn prommissory notes, bills of exchange, stocks, obligations or claims upon other persons, he shall deliver to the creditors the notes, bills of exchange, certificates of stock or other evidences of the claims or rights so pawned; and such pawn so made, without further formalties, shall be valid as well against third persons, as against the pledgors thereof, if made in good faith.

* * * * * * * *

Article 3160 requires notice to be given to the debtor if the credit pledge is not negotiable. Then follows:

Art. 3161 [3128]. On the other hand, this notification of the act of pledge to the person owing the debt pledged, shall not be necessary if the debt is evidenced by a note or other instrument, payable to the bearer or to order, because in that case it will suffice that the note or instrument shall have been indorsed by the person pledging it, to invest the creditor with the privilege above mentioned."

Articles 3156, 3157, 3160 and 3161 of the Revised Code are identicial with articles 3123, 3124, 3127 and 3128, respectively of the old Code of 1825. Article 3125 of the old Code corresponding to article 3158 of the revision, is as follows:

Art. 3125. But this privilege shall take place against third persons only in case the pawn is proved by an act made either in a public form or under private signature; provided that in this last case it should be registered in the office of a notary public; at a time not suspicious; provided, also, that whatever may be the form of the act, it mentions the amount of the debt as well as the species and nature of the thing given in pledge, or has a statement annexed thereto of its number, weight and measure.

Such was the statutory law upon the subject at the time of the transaction complained of in this bill.

It will be observed that the law of pledge, as contained in the old Code, was re-enacted in the revision of 1870, and that the provisions of the acts of 1852, 1855 and 1866, above quoted, were incorporated with it. The effect of such incorporation will be considered further on. Both articles, 3156 [3123] and 3161 [3128], require that in order to make a valid pledge of a negotiable note or instrument, the pledgor *must indorse it, even though it be payable to bearer.*

The Supreme Court has enforced this rule with great strictness. In *Sewell vs McNeill et al.*, it said:

“ It has been contended that the endorsement of Angus
“ McNeill was useless, inasmuch as the bill of exchange
“ was already endorsed by the payee in blank, and would
“ therefore pass by delivery. In the ordinary course of
“ business there is no doubt that such would be the case,
“ but we think the articles of the Code which relate to
“ the contract of pledge, by which a debtor seeks to recover
“ a debt, perhaps to the prejudice of other creditors,
“ ought to receive a strict construction. The bill of
“ exchange, although it might pass by delivery, was still
“ negotiable, and the article in question (3123) requires
“ an endorsement. Two subsequent articles, to-wit: 3127

"and 3128, appear to us to fortify this construction of "that under consideration. They provide, first, that "where the thing given in pledge consists of a credit *not* "*negotiable*, to enable the creditor to enjoy the right of "pledge as to other creditors, not only an authentic act, "or an act under private signature, duly recorded is re-"quired, but it is necessary that *a copy of the act shall be* "*served on the debtor* of the credit given in pledge; but "secondly, on the other hand this notification to the "debtor is not required if the debt be evidenced by a "note or other obligation payable to *bearer or order*, "because in that case it will suffice that the note or obli-"gation shall have been endorsed by the person pledging "it. This last article clearly denies to the pledgor the "right of causing his debt to be paid by preference over "other creditors out of the thing pledged, in the case of "a note payable to bearer, without the endorsement of "the pledgor, and such endorsement accompanying the "act of pledge, stands in lieu of notice to the debtor of "the obligation pledged, which alone can conclude other "creditors of the pledgor."

17 La. Reports, 189.

So held also in

Winchester vs. Ory's Syndics, 17 La. Rep. 429.

Fluker vs. Ballard, 2 Annual, 338.

Robinson vs. Shelton, 2 Rob. 277.

It was also essential to the validity of a pledge under the Code of 1825, that it should be made by written act.

either in public form, i. e., entered into before a notary public in the presence of two witnesses; or if under private signature, "registered in the office of a notary public at a time not suspicious." Art. 3125. After the act of 1855, a question arose as to the meaning of the words "without further formality," and was thus disposed of by the Supreme Court in *Cater vs. Merrill.*

"By comparing this law (Act of 1855,) with the "3125th Article of the Code, it is obvious that the clause, "'without further formalities,' means the registry of private acts of pledge in the office of a notary public, "required by the Code. But the mention of the amount "of the debt intended to be secured, like that of the "specific property to be pledged for the security of the "debt, is in no sense *a formality.* It is essential to the "contract of pledge—so essential, that without such "mention, the contract would be unintelligible.

"For what is a pledge? It is an auxiliary contract "for the enforcement of any lawful obligation. C. C. "3100, 3103. It results from this definition that there "should be no uncertainty or ambiguity as to the nature "and extent of the principal obligation, which it is the "object of the pledge to aid and enforce.

"Otherwise, it is impossible to ascertain the nature and "extent of the rights and obligations of the pledgor and "pledgee, reciprocally, from the instrument itself. Recourse would necessarily be had to parol proof, to "explain the intention of the parties. And thus the ob-

" ject of the law *which requires this contract to be in writing*, would be defeated, and the door opened to the perpetration of frauds upon the parties contracting, and " upon their creditors."

14 An. Rep. 375.

So that notwithstanding the Act of 1855, it was among other things, still essential to constitute a pledge; that it should be made in writing; that it should mention the amount of the debt to be secured, and contain or be accompanied by a description of the thing given in pledge.

2. The law of pledge in the Code of 1870.

Granting for the sake of argument, that under the Act of 1866, with its repealing clause, the phrase "without further formalities," dispensed with everything but delivery of the thing pledged; what is the effect of the legislation of 1870. The provisions of the Act of 1855, having been incorporated into Article 3158 (3125) and Articles 3123, 3127, and 3128, of the old Code, having been re-enacted, they must now be construed together. In construing the Code, that interpretation must be adopted, which will make a particular article harmonize with its other provisions, if it can be done without violence to its terms. In *Childers vs. Johnson*, the Supreme Court laid down the rule as follows;

"It is a sound rule of interpretation, in construing an " Article of the Code, with reference to a subject matter, " to take into view the general system of legislation upon " the subject matter contained in the same work; and

" when a provision of the code is invoked in derogation of " the common rule regulating the subject matter, the " intention so to derogate should be clear and beyond " reasonable doubt. If an interpretation can be given to " the particular article, which without doing violence to " its terms, will make it harmonize with the general rules " and the other provisions of the code regulating the sub- " ject matter, such interpretation should be adopted. In " the interpretation of contracts, it is an undisputed " maxim: *Ex antecedentibus et consequentibus fit optimus* " *interpretatio.* The spirit of that rule may be considered " fairly applicable to the interpretations of our codes."

6 Ann. Rep., 638.

"When laws *in pari materia* are to be interpreted, that construction is to be preferred which will give effect to all their provisions."

Desban vs. Pickett, 16 Ann. 350.

Wood vs. Stokes, 13 Ann. 143.

Succession of Hebert, 5 Ann. 122.

C. C. ART. 17.

If possible, effect must be given to every article of the Code.

Gee vs. Thompson, 11 Ann. 659.

" When two articles of the code cannot be reconciled, " the last in order and highest in number, prevails over " the other."

Barbet vs. Roth, 14 Ann. 382.

With these rules for the construction of the code, the application of its provisions to a pledge of negotiable promissory notes is not difficult. Both Article 3156 and 3161, of 1870, make endorsement by the pledgor essential to the privileges. If there be any conflict between Articles 3158 and 3161, the latter must prevail. But fairly construed there is no such conflict. The re-enactment of the Act of 1855, in the Code of 1870, must be considered as a legislative adoption of the construction by Supreme Court in *Cater vs. Merrill*, above cited, limiting the meaning of the phrase "without further formalities." Even the very article with which the Act of 1855 is incorporated, still requires by its first paragraph, that the act of pledge must be proved by act made in a public form or under private signature, in order to create a privilege against third persons.

3. Delivery to and retention by the pledgee essential.

The requirements of the Code in this respect are plain and positive, and read thus:

> "Art. 3152, [3118.] It is essential to the contract of pledge that the creditor be *put in possession* of the thing given to him in pledge, and consequently that *actual delivery* of it be made to him, unless he has posession of it already by some other right."
>
> "Art. 3162, [3129.] In no case does this privilege subsist on the pledge, except when the thing pledged, if it be a corporeal movable or the evidence of a credit if it be a note or other instrument under privote signature, has been *actually put and remained in the possession of the creditor*, or of a third person agreed on by the parties."

Delivery is the essence of the contract of pledge.

Lee et al vs. Bradlee, 8 Martin's Rep. 57.

Robinson, Syndic vs. Shelton et al, 2 Rob. 277.

Winchester vs. Ory's Syndics, 17 La. 428.

Fortier vs. Schroder et al, 19 Ann. 20.

In *Geddes vs. Bennett et al.* whiskey was *left on storage* with the defendants, who gave their receipt therefor to the plaintiff, who had made advances thereon. It was held: That the plaintiff having permitted the defendants to remain in possession of the whisky after the advances, he was not entitled under the articles of the Code, to a pledge thereon. 6 Ann. R. 516.

A contract or promise to transfer or deliver a collateral to secure a debt gives no privilege or pledge upon such collateral, if not transfered and delivered in pursuance of said contract. *Succession of D'Meza*, 26, Ann. 35.

An executory contract for security will not suffice.

Forbes vs Howe, 102 Mass. R. 427.

Blodgett vs. Hildreth, 11 Cush. R. 311.

Paine vs Waite, 11 Gray R. 190.

Simpson vs. Carlton, 1 Ann. R. 109.

Such being the law of pledge, the

EVIDENCE,

discloses that none of its requirements were complied with in this case. It is not pretended that there was any written pledge other than by the correspondence between the banks;—none of the notes were *indorsed* by the bank and prior thereto *they were not put, nor did they remain in possession* of the creditor, or some indifferent person.

Blache, the cashier, testified the notes were generally stamped above the last indorsement, so as to make them payable to the order of the Banking Association, and that he did not indorse them. (page 41.)

The testimony of DeArmas discloses that a large portion of the notes transferred to Reynes & Bro., were acquired by the Association within a few days of the failure, and some of them but the day before, (p. 51.)

The answer of the Park Bank, admits that several of the notes and fifty-two shares gas light stock were substituted October 6th, in lieu of notes paid *about that time*, (p. 17;) and Reynes & Brother admit in their answer, that none of the notes were delivered to them until the 6th of October, and admit a further delinery, as well as the transfer of the Gas Light Stock, October 6th or 7th, (p. 25.) The testimony of Brown, Secretary of the Gas Light Co., shows that the fifty-two shares thereof, were not transferred until the 8th of October, (p. 49;) and the Cashier testifies that said shares had not been transferred to the Park Bank *in any manner*, previous to Oct. 8th, (p. 48.)

As the Association failed October 4th, the delivery of collaterals on the 6th and 7th, and transfer of stock on the 8th, could not have been substitutions for notes *then paid*.

Blache, the Cashier, testified: that when the notes of the Association were transmitted to the Park bank, a list of collaterals was made and also transmitted; that the collateral notes were handed to him *as Cashier*, and after a few days went back into the hands of the note clerk, who collected them as they matured, charged the general cash of the bank, and credited "notes and bills discounted with the proceeds, (p. 41;) that in July some substitutes were made for those collected, but the substituted notes were not removed but remained in the custody of the note clerk, (p. 12.)

De Armas, the note clerk, corroborates Blache, in the above particulars, (p. 51, *et seq.*)

Taking the best view of the facts for the defendants, and it amounts only to this, that the Banking Association wss constituted trustees of these collaterals, the Park Bank being the *cestui que trust.*

In Louisiana a corporation cannot fulfil any office of personal trust. The Revised Civil Code provides as follows:

"Art. 441, [432.] A Corporation cannot be administrator, guardian or testamentary executor, nor fulfill any other office of personal trust."

III.

OF THE WANT OF AUTHORITY TO MAKE SUCH CONTRACT

The president and cashier of a bank have no power to bind it except in the discharge of their ordinary duties.

U. S. vs. City Bank, 21 How. R. 356.

Bank vs. Dunn, 6 Pet. R. 51.

Bank vs. Jones, 8 Pet. R. 12.

Talmadge vs. Pell, 7 N. Y. R. 328.

Reed vs. Powell, 11 Rob. R. 98.

Sandy River Bank vs. Merchants' Bank, 1 Biss. R. 146.

Angel and Ames on Corp., 288 et seq.

The individual stockholder commits no authority to the officers of the bank, but that which is given by the charter, and by a vote of a majority in interest of the individuals acting in a corporate form.

Wyman vs. Hallowell and Augusta Bank, 14 Mass. 58.

See also *Beatty vs. Ins. Co.*, 2 Johns. 110.

The president and cashier of a bank, unless specially authorized by the charter, have no authority to assign its choses in action as security for a precedent debt, without authority of the board of directors.

Hoyt vs. Thompson, 5 N. Y. Rep. 320.

Leggett vs, N. J. Manuf and Bank'g Co., 1 Saxt. Ch. Rep. 542.

Nor can they borrow money without authority in the charter, or from the board of directors, *Life and Fire Ins. Co. vs. Mechanics Ins. Co.* 7 Wend. 31; 31 Miss. 116; 41 Barb. 575.

The authority of officers of corporations is less extensive than that of agents of individuals, because regulated by statute, or matters recorded in books, of which those dealing with them, are deemed to have notice.

17 Mass., R. 1. Ibid. 479.

The property of corporations can be given in pledge only in accordance with their acts of incorporation.

Civil Code. Art. 3150, (3117.)

The corporate powers of National Banks are defined in Section 8 of the National Bank Act, (13 Stat. 101,) and the power to borrow money is not granted. If it could be implied, still such power could be exercised by the corporation, only through its Board of Directors. No authority was given by the Board of Directors in this case. The minutes of the board are in evidence, (pp. 100 to 107.) but contain no allusion to any loan from the Park Bank; and the cashier testified that the matter was never mentioned before the board, (p. 43).

"If the obligation is null, so also is the pledge." R. C. C., Art. 3138.

The receiver of an insolvent corporation may repudiate the illegal transfer of its securities, by its officers and claim them as part of its fund.

Talmadge vs. Pell, et al., 7 N. Y. Rep., 328; *Gillet vs. Moody*, 3 Comstock, 488.

It was contended in the Court below that the bank could not repudiate its acts in the premises, but was bound thereby, even if the transfer was obnoxious to law; and that the receiver could not do what the bank was estopped from doing. If this were true, Sec. 52 of the National Bank Act would be a nullity. The theory supposes that the receiver is the representative of the bank, only, whereas he is the statutory assignee, and represents the creditors as well, whose rights the provisions of the 52d Section were intended to protect, and if he could not invoke its provisions, for their protection, there would be a right without a remedy.

IV.

THE CASE OF *CLARK VS. ISELIN*,

reported in 21 Wallace 360, was relied upon in the Court below as decisive of this case. *It has no application to it.* That case arose in New York, where the law of pledge does not require that the thing pledged shall be "*put and remain in possession of the pledgee*, or some third person," as is required by the law of Louisiana, as above shown.

In that case, the collaterals were *delivered at the time* the loan was made; in this, no actual delivery was made, until after the failure.

In that case, the parties were private persons, whose custody of the collaterals could deceive no one, as it was not apparent to the public, and their books were not subject to inspection; in this, the defendants were dealing with a public corporation, whose books and assets were the subject of public scrutiny, through its directors, through its statements to the Clearing House, where it was represented to be in possession as owner of these very assets; and the Comptroller of the Currency, who would thereby be deceived as to its solvency, and kept ignorant of its true condition, and to whom a statement was made by the officers of the bank which did not disclose, but concealed the fact that any pretended pledge of its asset had been made to these and other creditors. (pp. 62 and 106).

The facts and circumstances of the two cases are different, the policy of the law is different, and the law itself is different.

The decree should be reversed and such a decree made as the complainant hath prayed in his bill.

Respectfully submitted,

J. D. ROUSE,
CHARLES CASE,
Counsel for Complainant.

Supreme Court of the United States.

No. 180.

◆

NICHOLAS W. CASEY, RECEIVER OF THE NEW ORLEANS
NATIONAL BANKING ASSOCIATION—APPELLANT,

versus

THE NATIONAL PARK BANK OF NEW YORK, ET AL.

◆

Brief on behalf of Defendants and Appellees.

THOS. ALLEN CLARKE,
Of Counsel for Defendants.

Clark & Hofeline, Book Printers, 112 Gravier St.

Supreme Court of the United States.

No. 180.

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versus

THE NATIONAL PARK BANK OF NEW YORK, ET AL.

Brief on behalf of Defendants and Appellees.

STATEMENT.

The National Park Bank of New York loaned to the New Orleans National Banking Association, on the 11th of June, 1873, $150,000, payable $75,000 on the 10th, $75,000 on the 20th October following. The loan to be secured by $170,000 collaterals, bills receivable of best known names. The loan was effected through Mr. E. H. Reynes and correspondence, folio 315, et seq.

The $170,000 of collaterals were placed in an envelope and handed to Mr. Cavaroc as agent of both parties, who placed them in the hands of the Cashier, to be kept in his box for safety. Subsequently, under the circumstances detailed by him, the Note Clerk, Mr. DeArmas, received them (folio, 120,) from time to time from Cashier, by resort to that private box, when finding it inconvenient to so frequently obtain from the Cashier the key, he obtained the package and retained it until it was finally delivered to Mr. Reynes, by direction of the Park Bank. By the original agreement AA1, 2, 3, changes of securities were authorized (folios 315–16–17,) and such from time to time made, (DeArmas, folio 121,) and at the time of suit a large amount of securities was in the hands of Reynes. The plaintiff became Receiver of the New Orleans Banking Association, on the 27th October, 1873.

BILL OF COMPLAINT

avers insolvency of New Orleans Nat. Banking Association, on 1st June, 1873, and long prior, to knowledge of Directors and defendants; that on or about the 20th September, 1873, the officers of the Association, with intent to prefer the Park Bank and contrary to provisions of Banking law transferred to Reynes, agent of said Bank, certain securities, who still holds same and refuses to deliver; that the receiver has the right of administration of all assets of the Association; denies all pretenses of right or possession in Park Bank, as they acquired the same contrary to the provisions of the 52d Section of Banking law.

ANSWER

denies the failing condition of the New Orleans Association, on 1st June or prior thereto and since, insolvency or knowledge thereof on the defendant bank's part, or its officers, and avers that up to 4th October, 1873, the N. O. Association was in good credit and standing as a banking institution in New Orleans, New York, London, Paris, and other cities of Europe and America; denies the transfer on 20th September, 1873, or at any time to Reynes, with unlawful intent and contrary to the provisions of the Statute; avers (folio 31, et seq.) the loan to the Association, its terms and conditions, and the other facts stated in the statement foregoing.

EVIDENCE

establishes the averments of answer as referred to in the statement and at the folios named.

I.

The loan and terms, folio 315, et seq. Complainant's witness, Blache, folio 95, et seq. An independent transaction by the National Park Bank; not in payment of any previous debt; the fund went into bank and was used by it, (folio 101). Cavaroc test'y, folio 277, et seq.

II.

The securities were placed in an envelope and handed to Mr. Cavaroc and by him subsequently handed to Cashier for safe keeping; subsequently handed to Note Clerk for convenience of collection and substitution as provided in loan agreement.

Complainant's witnesses, DeArmas, folio 119 et seq.; Blache, 96 et seq. and Cavaroc, folio 279.

III.

The bank was in good credit up to the panic of September, 1873. Selling freely of exchange, Jonas, folio 309; Kennedy, folio 282. Obtained a large credit in Paris. Complainant's witness, Blache, folio 131.

IV.

The Bank was solvent up to the panic. No question of that by any one but Blache, the Cashier, and he asked, as a member of a committee of Bank, for the liquidation of the Bank from the Comptroller of Currency, asserting, that a portion of capital was intact. (folio 172.)

Cavaroc's course does not indicate knowledge or belief of insolvency. He was a large holder of shares, (folio 175.) He devoted nearly all his capital and credit to assist it, folio 227 et seq.

POINTS.

I

The pledge is valid.

A pledge of negotiable paper requires no other formality than delivery; same stock certificates.

Acts of Louisiana 1852, page 15, Sec. 1.

Re-enacted 1855, page 348.

Revised Civil Code, 3158.

Revised Statutes, Sec. 2905.

The effect of revisory legislation, is stated with clearness in

State vs. Holmes, 11 An. 439, cited with approbation in

State vs. Brewer, 22 An. 273.

State vs. McCort, 23 An. 326.

From these decisions it follows that the provisions of the Revised Statutes of 1870, a revision of the pre-existing statutes, retained in force the enactment Sec. 2905, in reference to the limitation of formalities in pledges of negotiable instruments and certificates of stock, notwithstanding the Revised Code of same year contained the provisions of the old code along side of the Amendment of 1852. One article of the Code requires certain formalities, 3160. The other article, 3158, dispenses with formalities. The Revised Code contains the dispensing article.

So neither an act before a Notary, nor an endorsement by pledgor, is needful to constitute a valid pledge.

II.

Informalities in a pledge cannot avail the pledgor to impeach.

Partee, Syndic vs. Corning, 9 An. 539.

Brother vs. Saul, 11 An. 225.

Formalities required as against third persons, not required as against pledgor. Matthews vs. Rutherford, 7 An. 225.

III.

The syndic, receiver, or assignee, has no greater authority than the debtor they represent. If he cannot impeach, they cannot, except as the statute distinguishes. The restraints of the insolvent or bankrupt statute measure the difference between the rights of debtors pledgors and their representatives under the said statute.

Partee, Syndic vs. Corning, 9 An. 539.

Gibson vs. Warden, 14 Wal., 250.

Cook vs. Tullis, 18 Wal., 332.

Mitford vs. Mitford, 9 Vesey, Jr., 88.

The assignees under a commission are subject to all the same equities affecting the bankrupt's rights, which could have been enforced against the bankrupt himself.

Grant vs. Mills, 2 Ves. and Bea., 308.

Exparte Hanson, 12 Ves., 349.

Turner vs. Harvey, Jacobs' Rep., 174.

Campbell vs. Slidell, 5 La. An. 274.

IV.

After a pledge has been made it is lawful to constitute the pledgor an agent to collect the negotiable instruments, and to replace those collected by others, or to change the securities.

The case of Clark, Assignee, vs. Iselin, 21 Wallace. 360, exhausts the reasoning upon this point.

White vs. Platt, 5 Denio, 269.

Cook vs. Tullis, 18 Wall. 332.

A fair exchange of values may be made at any time even if one of the parties to the transaction be insolvent.

Same case.

V.

The Section 52 of the Statutes of 1864 measures the power of setting aside transfers, etc., at the instance of a Receiver.

This case has none of the elements prescribed.

The interdiction of the 52d Section has the same purpose as that of 35th Section of Bankrupt Act, sales or pledges or transfers for a fraudulent object, not those with an honest purpose.

Embarrassed persons are not prohibited from transacting business.

"It is for the public interest that every one should continue business, and avoid, if possible, going into bankruptcy," and yet, how could this result be obtained if he was denied the privilege of raising money upon his property.

Two things must concur to bring the transaction within the inhibitions of the law; the fraudulent design of the bankrupt, and the knowledge of it upon the part of the assignee.

Tiffany vs. Lucas, 15 Wall. 422.
Wager vs. Hall, 16 Wall. 595.
Wilson vs. City Bank, 17 Wall. 473.
Mays vs. Fritton, 20 Wall. 414.

"In the administration of the Bankrupt Law in England this subject has frequently come before the courts who have uniformly held that advances may be made in good faith to a debtor to carry on his business, no matter what his condition may be, and that the party making these advances can lawfully take securities at the time for their repayment."

Tiffany vs. Boatman's In'n., 18 Wall. 389.

VI.

The question of delivery is raised on the ground of Cavaroc's Presidency of the Bank. He was a simple stakeholder, agent of both parties. The contract was between the two Banks. He acted on the part of the one having no personal interest, and for both he became agent as to the custody of the collaterals.

But suppose *argumenti gratia* the delivery was to Reynes; under the principles of the Statutes of Frauds it would be valid. The contract is valid.

" If the goods are delivered to the mortgagee before any creditor questions the validity of the mortgage the transaction will be rendered valid."

Bump on Fraudulent Conv. 166, and cases cited.

Bartlett vs. Williams, 1 Pick. 294.

Robinson et als. vs. Williams, 2 B. and A. 134.

Quod nullo interno vitio laborat at objecto impedimento cessat, remoto impedimento per se emergit. Such delivery not Act of Bankruptcy.

Exparte Potts. Crabbe, 469.

2 B. & A. 134.

Complainant asks the aid of a Court of Equity. We do not understand such aid is granted except upon equitable considerations, certainly not to render a contract made in good faith, null, by reason of defects of execution.

Equity considers as done, that which ought to be done.

The Receiver cannot say that there is fraud in the delivery when that delivery was promised and supposed to have been made. The Bank could not, and unless there was *fraud* against the act the Receiver, cannot.

The taking of a warrant of attorney to confess judgment and not entering it, not deemed in itself fraudulent and invalid so as to prevent its being used after insolvency.

Watson, Assignee, vs. Taylor, 21 Wal., 378.

VII.

The contract was made with the authority of the corporation, through its board of Directors.

The Bank received the $150,00 as shown by their books.

The Directors must have known of it. They never repudiated the contract. 5 Hill, 137.

Promises and engagements of a corporation may be implied from its acts or those of its agents as from those of individuals.

Abbott, Digest of Corporations, 579, and cases there cited.

A corporation which has received the benefit of a loan cannot avoid liability on a mortgage to secure its payment by denying the authority of those who contracted the loan on its behalf.

Ottawa Plank Road vs. Murry, 19 Ill. 336.
Bissell vs. Mich. S. & N. J. R. R. Co., 22 N. Y. 258.
Pine Grove vs. Tolcott, 19 Wall. 678.
Bank vs. Dandridge, 12 Wheat. 70–71.
Bezou vs. Pike, 23 An. 788.
Canal Bridge vs. Gordon, 1 Pick. 304.
A fortiori in equity.

VIII.

The contract is valid, and not in contravention of the policy or directions of banking act.

A common business operation within the ordinary actions of banks and bankers.

No clause of act forbids.

IX.

If not within the authority of the banking act; not a nullity.

Having the benefit of the money, the corporation cannot repudiate the act and reap its fruits.

Contracts will be enforced under any circumstances of controlling equity.

Bissell vs. Rail Roads, 22 N. Y. 258.

Corporations have no right to violate their charters, but have a capacity so to do. They cannot repudiate acts so done to wrong innocent third parties.

Same case.

A party who has had the benefit of a contract, cannot question its validity, in respect of regularity of organization or of powers conferred by charter.

Nav'n Co. vs. Weed, 17 Barb. 378.
Despatch Line vs. Bellamy, 12 N. H. 205.
Moss vs. Rosie Co., 5 Hill, 137.

X.

The judgment should be affirmed with costs.

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Of Counsel for Defendants.